Austria Sch22	Indonesia Rp3100	Portugal Esc120
Bahrain Din0.650	Israel IS3.50	S.Arabia Rls7.00
Belgium BFr48	Italy L1700	Singapore S$4.10
Canada C$1.00	Japan Y600	Spain Pta145
Cyprus C£0.90	Jordan Fils500	Sri Lanka Rup30
Denmark DKr10.00	Kuwait Fils500	Sweden SKr9.00
Egypt E£2.25	Lebanon $1.25	Switz SFr2.30
Finland Fmk7.00	Lux LFr48	Taiwan NT$65
France FFr6.50	Malaysia Rlm4.25	Thailand Bht50
Germany DM2.30	Mexico Peso300	Tunisia Din0.800
Greece Dr120	Morocco Dh6.00	Turkey L600
Hong Kong HK$12	Neth Fl3.00	UAE Dh6.50
Iceland Kr125	Norway NKr10.00	USA $1.00
India Rup15	Philippines Peso40	

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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POST-WAR IRAQ
Economic ambitions lack priorities
Page 6

World News

Street war continues in Burmese cities

Gunfire echoed throughout Burma's big cities as the military coup leaders sought for a third day to crush popular resistance to their rule.

The military carried out extensive house-to-house searches in the commercial district of the capital, Rangoon, as civilians were seen firing on military positions. Demonstrators were believed to have seized several hundred weapons during attacks on four police stations. Page 4

Lebanon talks

President Amin Gemayel of Lebanon went to Syria for unexpected talks with President Assad to try and defuse the crisis over the election of a new Lebanese leader. Page 16

Papandreou call

Greek leader Andreas Papandreou, president of the European Community, said UK Prime Minister Margaret Thatcher's speech on Europe's future could put her in breach of the European Single Act and called for clarification. No contrition, Page 2

Johannesburg blast

A bomb, placed in one of the new concrete rubbish bins intended to muffle the effects of bombs, exploded next to the main white bus terminal in Johannesburg injuring 19 people and damaging 4 buses.

New hurricane fear

Hurricane Helene moved across the Atlantic on almost the same path taken by Hurricane Gilbert with winds of up to 135km/h. Caribbean nations were alerted after it doubled in strength in less than 12 hours.

Ghandi in Punjab

India's Prime Minister Rajiv Gandhi took a strong stand against terrorism on a visit to Punjab but was silent on political plans for the province. Page 4

Guerrilla claim

The West German guerrilla group Red Army Faction claimed responsibility for Tuesday's shotgun attack on a civil servant in Bonn. Officials warned of renewed attacks at this week's IMF and World Bank meeting. Page 2

Hirohito stable

Emperor Hirohito's chief doctor said the 87-year-old monarch's condition had stabilised after an intestinal haemorrhage. He remained in seriously ill and was being given oxygen.

New Bhutto

Pakistan's best-known opposition leader Benazir Bhutto, favourite to win November's elections, gave birth to a son.

Ramstein toll rises

The death toll from last month's Ramstein air show disaster rose to 67 when a 27-year-old West German died. Eighty-four people are still in hospital.

Marcos plea

Former President Marcos of the Philippines offered to exchange up to $1bn frozen in Swiss bank accounts for immunity from prosecution and clearance to return to write his memoirs. Page 4

Japan stays cool

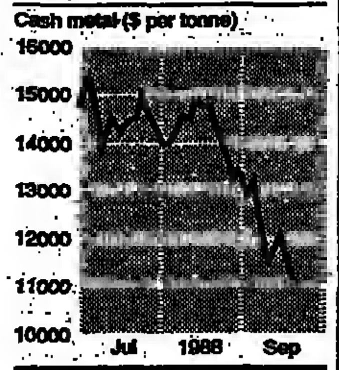
Japan is taking a tough stance toward the Soviet Union, despite Soviet call for better relations. Page 4

Business Summary

Mitsubishi in rail supply joint venture with NEI

MITSUBISHI, the Japanese conglomerate, made its first significant move into direct manufacturing for the European railway equipment market by setting up a joint venture company with Northern Engineering Industries, based at Newcastle, UK. Page 9

NICKEL prices fell sharply in pre-market trading on the London Metal Exchange. Three-month metal touched



the lowest levels ($9,370 a tonne or $4.25 a lb) since early March. Page 38

ELF-AQUITAINE, the French state-controlled oil group, reported a 35 per cent increase in first-half net profits to FFr3bn ($473m) from FFr2.2bn in the first half of last year. Page 19

KLEINWORT Benson, the large City of London merchant banking group, reported a sharp drop in interim profits. Page 19

ZURICH INSURANCE, the Swiss group, agreed to buy Travcan, the Canadian unit of the Connecticut-based Travelers Insurance and financial services concern, in a move that will create one of the top three property-casualty insurers in Canada. Page 19

RUPERT MURDOCH'S News Corporation has agreed to sell its 50 per cent stake in the US and British editions of Elle, the glossy monthly fashion magazine, to Hachette, the fast-growing French publishing group. Page 21

HONEYWELL expects third-quarter earnings to "decline substantially" from the $70m, or $1.59 a share, reported a year ago, largely because of additional charges at its Defense Avionics Systems division. Page 21

DIGITAL EQUIPMENT, the second largest US computer manufacturer, is planning a new range of high performance workstations based on technology acquired from Mips Computer Systems, of California. Page 21

PHILIPS, the Dutch electronics group, has applied for a listing on the Tokyo Stock Exchange. Page 22

TOYOTA MOTOR, Japan's leading car maker, reported a 19.3 per cent rise in consolidated net earnings to Y310.9bn ($2.3bn) from Y260.7bn for the year ended June 30. Page 23

LOUISIANA PACIFIC, the big US forest products group, has bought just over 10 per cent of Doman Industries, a privately controlled British Columbia timber producer, and is negotiating a possible takeover. Page 21

VIASA, Venezuela's state-owned international airline, reported its best financial results in more than a decade, with net profits for 1987 of $10.6m on revenues of $386.6m. Page 21

MONTEDISON, Italy's giant chemical group, decided to close permanently a pesticide factory in Massa Carrara, which severely polluted large stretches of the Tuscan coastline in July. Page 2

Move rejected as 'front for South African asset-stripping'

Oppenheimer group bids £2.9bn for Gold Fields

By Clay Harris in London

MINORCO, the Luxembourg-based investment vehicle of the Oppenheimer family's South African mining empire, yesterday launched a hostile takeover bid for Consolidated Gold Fields which valued the UK mining and aggregates group at £2.9bn ($4.87bn).

The bid, the largest ever made for a UK company, was angrily rejected by Gold Fields, which said it was a "front for South Africans to indulge in asset-stripping for their own purposes." Gold Fields' shares soared 322p to close at £14, compared with the £13.32 value of Minorco's offer.

A successful bid would give the non-Communist world's leading gold producer, South African-based Anglo American, and its related company De Beers – the dominant force in the world diamond market – effective control over the second largest gold group, Gold Fields.

Yesterday's move brings to a head a rivalry which has festered since Minorco picked up 25 per cent of Gold Fields in a "dawn raid" in 1980. Minorco's holding is now near 29 per cent.

Minorco said the offer reflected its desire to become an actively managed international natural resources group, rather than a passive investor. To coincide with the bid, it named Sir Michael Edwardes, South African-born former chairman of BL, the UK motor group, as first chief executive.

The bid is likely to have wide international political and financial repercussions. The issues of South African investment and ownership will figure centrally. Minorco, which no longer owns South African assets itself, said it would sell the rest of Gold Fields' interests in that country.

Minorco claimed, moreover, that it would no longer be a South African-controlled company if the bid succeeded. Shares to be issued under the offer would dilute the total holding by Anglo American and De Beers from 60.1 per cent to 40.9 per cent.

This contention was rejected by Mr Rudolph Agnew, Gold Fields chairman and chief executive, who predicted political difficulties for his group's operations in many countries – including the US – if Minorco took control.

Mr Agnew said last week that Gold Fields was prepared to sell its remaining South African interests if forced to do so, even though it believed its long-term interest as a resources group meant it should retain a presence in that country.

He attacked the bidder as a "Luxembourg shell." Sir Michael, confirming that Minorco would not consider bringing its assets into the UK tax net, described the bid as a "trans-European deal."

A successful bid by Minorco would signal what Sir Michael described as the most "major redeployment of assets that has been seen around the place in some time." Minorco did not want to retain investments over which it did not have control or strong influence, unless there were strong "strategic" arguments, Sir Michael said.

His pledge yesterday that that there would be no "sacred cows" also raises questions about Minorco's 36 per cent stake in Charter Consolidated and 30.5 per cent holding in Engelhard Corporation, industrial and mining groups based respectively in Britain and the US.

The ripples may go wider still. Not only did Charter shares rise 45p to 393p yesterday, but those of Johnson Matthey, the precious metals technology group in which Charter has a 38 per cent holding, also advanced, by 21p to 344p.

Big game in their sights, Page 16; Lex, Page 18; The bid for Consolidated Gold Fields, Page 20; Stock market report, Page 37

Michael Edwardes, new chief executive of Minorco (left), announces the group's takeover bid for Consolidated Gold Fields in London yesterday. With him is Hank Slack, head of Minorco's North American operations

Insider dealing accusations abound

By Clive Wolman in London

A WAVE of accusations of insider dealing and suspicions that a secret and illicit concert party of investors had been in operation greeted the announcement of the bid for Consolidated Gold Fields yesterday.

Minorco made a formal request for a Stock Exchange inquiry into the recent dealings in the shares and traded options of Gold Fields which has led to a sharp rise in the share price.

Minorco has also denied having any discussions before the announcement of the bid with the other large corporate shareholders in Gold Fields which have mining or South African interests.

Rumours spread that some of the largest market-makers in options on Gold Fields' shares had lost more than £10m when the share price rose sharply in response to the bid.

The focus of the insider dealing investigations is likely to be on some of the clients of SBCI Savory Milln, the subsidiary of Swiss Bank Corporation International. Since early August these clients have been placing orders to buy call options on Gold Fields shares which would give them a large profit in the event of a bid.

The orders, described by one broker as persistent and aggressive, were placed through the international sales desk of SBCI Savory Milln by one investor or a group acting in concert. Several brokers suggested that the orders had emanated from South Africa via Switzerland.

Their interest was directed at those call options which give investors the right to buy Gold Fields shares at 1100p and which expire on October 26. Buying these particular options would be specially attractive for a South African investor anticipating a bid but tightly constrained by domestic exchange controls, as it would allow him to maximise his profits from a sharp price rise for the smallest possible outlay of foreign currency.

The foreign orders to buy the 1100p October calls placed through SBCI Savory Milln have been running at several hundred contracts per day on some days over the last seven weeks.

British police investigate £15m Eurobond fraud attempt

By Alan Cane in London

CITY of London police are investigating an attempt to defraud Mitsubishi Finance International of about £15m ($25.2m) worth of Eurobonds. The fraud, uncovered at the last moment, depended on the criminals gaining access to a major Eurobond market electronic clearing system and feeding it with fraudulent messages.

It took place over the British bank holiday in August and involved the unauthorised transfer of securities from Mitsubishi in London to another London-based institution, understood to be the US financial services company Shearson Lehman Hutton.

Mr David Spencer, Mitsubishi company secretary, confirmed yesterday that the company suffered no loss.

When the attempt was discovered, the company reported it immediately to the police and to the Securities Association, the self-regulatory organisation for its market sector.

Two men have been arrested and held in custody in Switzerland, where they had been attempting to draw the proceeds of the fraud. Superintendent Donald Randall of the City of London Police Company Fraud Department said yesterday it would be 10 to 15 days before further action could be taken.

In the meantime he was unwilling to jeopardise his investigation by explaining how the attempted fraud was perpetrated or how the suspects were caught. A police statement said, however: "The fraud was perpetrated by way of gaining access to a computer system". Details of the attempted theft are given in the British weekly specialist newspaper Computing, published today.

The attempt was made by gaining access to Euclid, an electronic messaging system operated by the Brussels-based organisation Euroclear, which together with Cedel is responsible for clearing Eurobond market dealings.

The electronic messages are carried to and from Euroclear over a private computer network operated by General Electric Information Services, e subsidiary of General Electric of the US.

It is understood that the most likely way the would-be fraudsters could have gained access to the network was by using a personal computer and a modem, a device which turns computer code into signals which can be transmitted along a telephone line.

Three levels of password are necessary to gain access to Euclid but these could be known by employees of either firm involved. They might also be known by recent employees because Euclid passwords are changed at monthly intervals.

Computer systems are available which make it difficult for the ill-intentioned to break into the systems operated by Euro-

Continued on Page 18

Moscow moves to quell protests

By Quentin Peel in Moscow

A STATE of emergency was declared in the strife-torn region of Nagorno Karabakh by the Soviet authorities last night after further violent clashes between Armenians and Azeris.

The declaration, along with the imposition of a curfew, came as hundreds of thousands of Armenians were reported to be demonstrating in the streets of Yerevan, capital of the neighbouring Armenian republic, in support of demands that Nagorno Karabakh be transferred from the republic of Azerbaijan to their jurisdiction.

The action – described as putting the disputed region "on a special status" – was announced on local television and radio by Mr Arkady Volsky, Moscow's special envoy who has assumed virtual supreme authority in Stepanakert, the region's capital.

The envoy said the situation in the region had been "sharply aggravated" over recent days by strikes at factories, building organisations and on public transport, a boycott of schools classes, unauthorised rallies and marches, and "insults made against organs of power."

He made no reference to the clash on Sunday, when knives and guns were used in a bloody confrontation between Armenians and Azeris, leaving 25 wounded, one of whom subsequently died.

Tass news agency said last night that homes and cars had been set on fire again on Tuesday night and "shots were fired in some places" although there were no casualties.

Nagorno Karabakh, a mountainous enclave with a predominantly Armenian population within the republic of Azerbaijan, has been virtually a law unto itself since the beginning of the year, leaving the civil authorities and the ruling Communist Party helpless in the face of nationalist outbreaks.

The ethnic tension between the two peoples, compounded by religious rivalry between the Christian Armenians and Moslem Azeris, came to a head in February when 32 people died in race riots in the Caspian port of Sumgait – 26 of them Armenian.

The Soviet leadership has however refused to bow to the Armenian campaign to switch Nagorno Karabakh from Azerbaijan to Armenia, for fear

Continued on Page 18

French budget aims to reduce deficit, lift spending

By Ian Davidson in Paris

BUOYED by stronger than expected growth, France's new Socialist Government yesterday tabled a draft budget that calls simultaneously for higher real-terms spending, a cut in some tax rates, a rise in total revenue, and a reduced deficit.

The Government is also carrying out its electoral promise to reintroduce a wealth tax, at a somewhat higher rate than earlier envisaged following pressure from back-bench Socialist deputies.

The budget statement predicts a slackening in economic expansion next year, to 2.7 per cent in real terms from the buoyant 3.2 per cent that is now expected for 1988.

But it contains ambitious targets for reducing inflation, which is forecast to drop from 3.1 per cent in 1987 and 2.8 per cent this year to 2.2 per cent in 1989.

Total spending is due to rise by 4.7 per cent to Fr1167bn ($184bn), while total tax receipts are due to rise by 6.7 per cent to Fr1067bn, thus bringing down the budget deficit to Fr100bn, compared with the Fr115bn originally scheduled in the 1988 budget.

Of the tax cuts, which total Fr24 bn, more than half will benefit private households, while the rest will benefit French industry.

Since its return to power after the June elections, the Government of Mr Michel Rocard has insisted that budgetary prudence and the fight against inflation remain a top priority.

It can now point to a projected fall in the 1989 deficit to some 1.7 per cent of gross domestic product, compared with 2.1 per cent this year and 2.5 per cent in 1987.

On the other hand, the Government's programme also includes a clear commitment to finance reforms in education, training, employment and research: all these will receive significant funding increases next year.

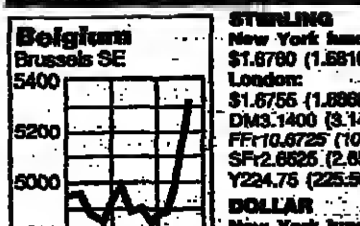
The 2 per cent real-terms increase that is projected for public spending in 1989 compares with growth of 1.1 per cent in 1987 and 1.4 per cent in 1988.

Nevertheless, there will be a marginal decline in the weight of compulsory contributions (tax and social security) from 44.7 per cent to 44.6 per cent of gross domestic product.

Apart from an increase in the tax base, part of the

Continued on Page 18

MARKETS



INTEREST RATES
US
Federal Funds $8\frac{7}{16}$ (8)
3-mth Treasury Bills: yield: 7.39 (7.4)
Long Bond: $101\frac{1}{8}$ ($100\frac{3}{4}$)
yield: 9.01 (9.04)
London
3-month interbank: close $12\frac{1}{16}$ (12)

STERLING
New York lunchtime:
$1.6780 (1.6810)
London:
$1.6755 (1.6860)
DM3.1400 (3.1425)
FFr10.6725 (10.6650)
SFr2.6625 (2.6550)
Y224.75 (225.50)

DOLLAR
New York lunchtime:
DM1.8732 (1.8668)
FFr6.3645 (6.3465)
SFr1.5822 (1.5765)
Y134.27 (134.07)
London:
DM1.8745 (1.8640)
FFr6.3700 (6.3375)
SFr1.5830 (1.5740)
Y134.20 (133.80)

GOLD
New York lunchtime:
Comex
$408.3 (411.3)

STOCK INDICES
New York lunchtime
Dow Jones Ind. Av.
2,091.22 (+3.74)
S&P Comp
270.18 (+.45)
London:
FT-SE 100
1,796.8 (+24.7)
World:
124.51 (Tues)
Tokyo
Nikkei Ave.
27,712 (+164.06)
Frankfurt
Commerzbank
1,576.4 (+17.7)
OIL
Brent 15-day (Argus)
$13.445 (+.02) (Oct)
West Tex Crude
$14.655 (+.11) (Nov)

CONTENTS

Argentina struggles to forge a new deal on its $1bn debt

In arrears to its commercial bank creditors by more than $1bn, Mr Raul Alfonsin's government is looking for new finance, but the country will not get an IMF loan until it puts into place an IMF-sponsored economic programme
Page 3

Disputes hit prospects for new arms forum

By Judy Dempsey in Vienna

PROSPECTS for an early start to the first full-scale negotiations on reducing conventional weapons from the Atlantic to the Urals remain clouded by disputes.

The proposed arms forum, the Convention Stability Talks (CST), cannot get under way until there is a successful conclusion to the long-running Vienna meeting of the Conference on Security and Co-operation in Europe (CSCE).

Problems have arisen both over terms for the CST talks and because of failure to overcome several obstacles at the CSCE.

One hitch for the CST talks is the precise area to be covered by the new talks, in which the 23 North Atlantic Treaty Organisation and seven Warsaw Pact nations are expected to participate.

Turkey wants part of its territory to be excluded. The Warsaw Pact insists that in that event, part of the Soviet Caucasus should be also excluded, a proposal rejected by Nato.

Mr Yuri Kashlev, head of the Soviet delegation, said last week that these differences could be resolved. But at the same time, he confirmed the Soviet stance that defensive Warsaw Pact aircraft should be excluded from the CST. This has been rejected by Nato.

Even if agreement on a mandate for the CST is soon reached, western countries say the formal opening of the talks hinges on a successful conclusion of the related 35-nation CSCE meeting, grouping the US, Canada and all European states except Albania. In particular, progress needs to be made on human rights and humanitarian issues. But in these areas the attitudes of several Warsaw Pact countries remain unpredictable.

For instance, before the summer recess, the Romanian delegation stated categorically that it was not prepared to undertake any new commitments on human rights.

In recent weeks, possibly in response to western criticism, the Romanian delegation has retreated from this approach.

But Bucharest seems as reluctant as ever to agree to easier travel and greater freedom of religion. So there is still a risk that Romania could block agreement on a final document, which requires agreement by all 35 participants.

Elsewhere, individual Warsaw Pact countries are defending their perceived national interests.

East Germany, for example, refuses to drop the daily compulsory currency exchange for westerners, a regulation which in the western view inhibits free travel. Bulgaria shows no sign of easing its stance on passports, travel and cultural rights for minorities.

Differences within the Warsaw Pact, now openly expressed at the CSCE, suggest that the Soviet delegation is reluctant or unable to rein in its allies.

Soviet diplomats have indicated that if the West lowers its expectations, especially on humanitarian issues, consensus among the Warsaw Pact states could be attained.

Several western countries, in particular Britain, Canada and the US refuse to entertain such a suggestion, stressing that any successful conclusion to the Vienna CSCE meeting depends on "balanced and substantive progress" in all areas.

Mr Roland Dumas, the French foreign minister, recently distanced himself from the West German stance placing less emphasis on human rights and more on starting arms talks as soon as possible. He said France attached the highest importance to civil rights.

Parliamentary economic debate for Soviets

By Quentin Peel in Moscow

THE Supreme Soviet, the national parliament of the Soviet Union, is being given the chance to debate and amend the Government's draft economic plan and budget for the coming year, in a major departure from its traditional role as rubber stamp for executive decisions.

Both the plan – advocating a big switch from heavy industry to consumer goods and services – and the budget estimates were yesterday submitted to the two chambers of the assembly, in spite of the fact that many details appear to have been left unresolved in the Council of Ministers.

For the first time the Supreme Soviet is to be given details of the extent of the state budget deficit, according to the official news agency, Tass. At a stormy debate on the plans in the Council of Ministers 10 days ago, Mr Boris Gostev, the Minister of Finance, was reported as saying it ran into "tens of billions" of roubles.

The extent of possible amendments by the Supreme Soviet – which exercised this power for the first time in years to change a new law on co-operatives at its last session – was underlined by the Tass report.

"It is hardly worth citing any specific figures, as many of them are bound to be changed," Tass said. "Judging by the first sittings of the parliamentary commissions, the debates will be heated, and there will be quite a few amendments."

The Council of Ministers itself focused on the failure of individual enterprises, ministries, and the governments of several republics, to submit "balanced plans" which would come near meeting the targets of the overall five-year plan, of which 1989 is the final year.

Many individual enterprises appear to have unilaterally refused to accept the level of production dictated by the central authorities, leaving the overall plan targets looking hopelessly unrealistic.

None the less, the plan is to increase spending on the production of consumer goods by 6.7 per cent, compared with a growth of only 2.5 per cent for capital goods – a complete reversal of the traditional Soviet emphasis. There is also intended to be a substantial increase in social spending and the housing budget, although many ministers argued that the economy could still not afford it.

Much of the budget deficit at the moment is blamed on subsidies to loss-making enterprises of more than 11bn roubles (£10bn), although another huge drain is the cost of subsidising state-controlled prices.

W German M3 growth slows

WEST GERMAN M3 money supply growth slowed again in July-August to within sight of the top of the Bundesbank's 1988 target range, but the measure grew in August alone, according to Bundesbank figures released yesterday, Reuter reports from Frankfurt.

The two-month average for M3 growth dropped to 6.3 per cent, just above the top end of the Bundesbank's 3-6 per cent target corridor, from 6.7 per cent in June-July and 7.4 per cent in May-June.

The renewed fall in the average encouraged economists that M3 growth should slip to within the Bundesbank's range by the end of the year. But confidence was tempered by a DM7.2bn ($3.8bn) increase in August alone to DM1,128.4bn.

In July, M3 had shown a drop of DM1.2bn from June, revised up from a DM0.5bn fall originally reported by the Bundesbank.

"Overall it's still pointing in the right direction," one economist said of the July-August average.

However, Mr Dieter Wermuth, vice-president for investment banking at Manufacturers Hanover Trust in Frankfurt, said the data were not as positive as they seemed at first.

"It's not such a good number," he said of the August increase. "If this continues they're not going to get back into the target range." But economists cautioned against placing too much emphasis on one month's figures. The Bundesbank calculates M3 growth as a two-month average precisely to iron out statistical aberrations.

The economists said the drop in the July-August average reflected the Bundesbank's tightening of credit over the summer.

They said, however, the fact that the average was continuing to slip to nearer the target corridor was no reason for the central bank to consider loosening credit policy.

"This level of interest rates is necessary to hold (M3) under 6 per cent," said Mr Jürgen Pfister, Commerzbank AG economist.

Montedison chemical plant closed after blast

By Alan Friedman in Milan

MONTEDISON, the chemicals company controlled by Mr Raul Gardini's Ferruzzi group, said last night it was liquidating its Farmoplant pesticide subsidiary whose factory suffered a serious accident in July.

An explosion and fire erupted at Farmoplant's pesticide plant in the Tuscan port of Massa Carrara. Two days later the Italian Government ordered the closure of the plant and magistrates began investigating the fire. Thousands of people abandoned their homes and about 200 went to hospital complaining of sore throats, burning eyes and dizziness.

Montedison denied at the time reports that the explosion and fire had released a toxic cloud, but swimming was banned at local beaches for several days.

The Farmoplant closure puts 380 employees out of work. Montedison said it was impossible to manufacture pesticides under present circumstances. The one-plant company was not profitable either, having made a L16bn (£7m) loss in 1987 on L17bn turnover.

● Mondadori, the Milan-based publishing company, said yesterday it was planning an Italian language edition of Moskovskie Novosti, the Soviet periodical which is close in its editorial line to the perestroika policies of Mr Mikhail Gorbachev. The first issue will be available in Italy next February.

Thatcher unrepentant amid Europe's polite outrage

By Robert Mauthner, Diplomatic Correspondent

MRS MARGARET Thatcher, the British Prime Minister, showing no signs of contrition for irritating her European partners the previous day by her attack on an "identikit" Europe, yesterday took her campaign for a Europe of independent nation states to the smallest European Community member, Luxembourg.

"A centralised European government would be a nightmare," she said at a lunch given in her honour by Mr Jacques Santer, the Luxembourg Prime Minister, in the Abbey of Echternach.

Returning to one of the main themes in her speech at the College of Europe in Bruges yesterday, Mrs Thatcher again stressed that her Government had not "rolled back the frontiers of the state at home only to see them reimposed at a European level".

Mr Santer, though known not to share Mrs Thatcher's European ideas, remained the perfect diplomat and host, praising Mrs Thatcher's "frankness, tenacity and loyalty". Mr Santer said Europe needed unity to survive, but that "a truly democratic community lives by its diversities and complexities".

The fiercest criticism of Mrs Thatcher's views on Europe came from Mr Andreas Papandreou, the Greek Prime Minister and current chairman of the EC Council, from a hospital in London, where he is awaiting heart surgery.

Calling for a formal clarification of Mrs Thatcher's position to her EC partners, Mr Papandreou said on BBC radio: "It is difficult for me to believe that Mrs Thatcher would be prepared to put in question, unilaterally, the European Single Act, which binds the 12 by validated international treaty.

"It is difficult to understand exactly what the implication and meaning of Mrs Thatcher's vision of Europe is."

Mr Jacques Delors, the European Commission President, whom the British Prime Minister has criticised for declaring that 80 per cent of economic legislation was likely to originate in the Community in 10 years, confined himself to a single-line statement yesterday: "Mr Delors believes that that which unites us is more important than that which divides us."

However, privately, another commissioner said he regarded the speech as "outrageous" because it pandered so much to UK domestic opinion and had so little constructive to say about community initiatives under discussion by the member states.

Spanish seek the hand of the Iron Lady

Mrs Thatcher is promised a warm welcome in Madrid today, reports Peter Bruce

IF MRS Margaret Thatcher were to take a taxi ride during her visit to Madrid today, she would probably get it free. The British Prime Minister is a heroine among the taxi drivers who do daily battle with the mayhem of Madrid and blame the Socialist Government.

"We pay the highest taxes in the world," said one cabbie stuck in a tunnel, "and we get nothing. Mrs Thatcher is a strong woman. Look at this!"

Angry taxi drivers aside, the Spaniards are short of impressive political figures, other than Mr Felipe Gonzalez, the Prime Minister. Correspondingly, they are as fascinated by Mrs Thatcher as they are by the Britons who crowd their beaches.

When she and Mr Gonzalez today become the first serving British and Spanish prime ministers to meet on Spanish soil, they will make a little bit of history: her trip, along with the visit next month by Queen Elizabeth, marks an extraordinary renaissance in Anglo-Spanish ties.

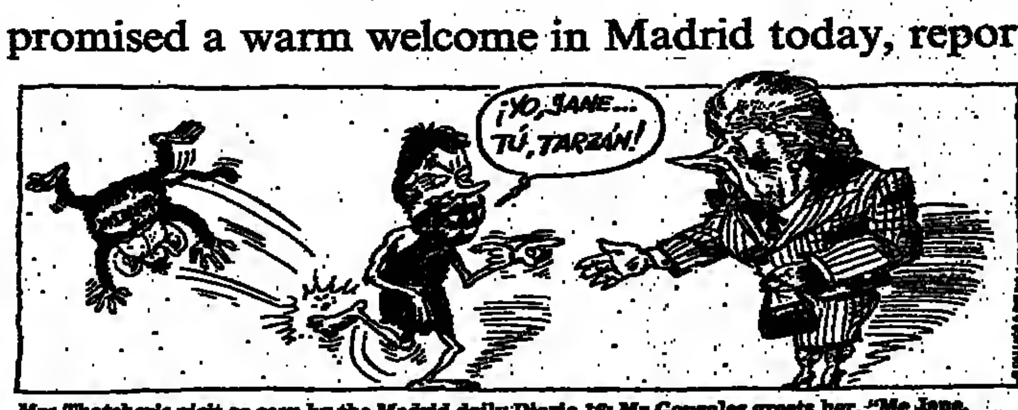
She has been preceded by a barrage of gushing publicity. She and Mr Gonzalez, we have been told, deeply admire each other. Their politics, though apparently at opposite ends of the political spectrum, are remarkably similar and their private discussions are going to border on the affectionate.

Not even the once-thorny question of British rule in Gibraltar will be allowed to sully the mood; although the question will come up, and – despite a number of meetings in the past – it will be the first time they have discussed it.

Breaking the happy mould yesterday, the Madrid daily Diario 16 chided Mr Gonzalez for not planning to press Mrs Thatcher over the Rock: it published a cartoon showing him greeting her with "Me Jane, you Tarzan", and kicking a Gibraltarian Barbary Ape aside.

Spanish officials say all they want is for Mrs Thatcher to leave Madrid with real understanding of their feelings on Gibraltar. "We know she reads the dossiers," said one, "but we want her to hear us talk." Gibraltar – once *the* Spanish foreign affair – no longer tops Spain's agenda.

The seduction of Mrs Thatcher is hugely important to Madrid.



Mrs Thatcher's visit as seen by the Madrid daily Diario 16: Mr Gonzalez greets her, "Me Jane, you Tarzan," while kicking aside a Gibraltarian ape

Next January, the Spanish assume the presidency of the European Community, a task they take very seriously. It is essential that the six-month term go smoothly, if only to demonstrate the nation's ability to manage an international institution.

The only obvious threat now to that is *la dama de hierro*, as the Iron Lady is known here.

She is likely to question Mr Gonzalez closely on Spanish priorities for the presidency. It is already clear Spain wants to make some headway on social policy, on the establishment of a European central bank and the harmonisation of VAT in the EC next year, all ideas that she regards with suspicion.

Not only that, but Mr Gonzalez often seeks political advice from his fellow Socialist, President François Mitterrand of France, and the British fear that Paris may try to influence Spain's presidential agenda.

One potential hitch has been papered over. On Sunday night Mrs Thatcher gave the impression on Spanish television that Spain's aversion to nuclear weapons might affect its application to join the Western European Union (WEU).

The next day she appeared to soften this stance in an interview with Spanish journalists, to the relief of Madrid.

The Spanish, prisoners of a 1986 referendum promise not to "introduce" nuclear weapons, are now having to play verbal gymnastics in trying to impose a watertight non-nuclear bases agreement on the US while at the same time trying to join a determinedly nuclear group like the WEU.

Any unpleasantness, though, will have to wait until after the visit, and her programme is a reflection of just how normal ties have become between two European powers whose relations were once cool or even hostile.

Among her engagements are a visit to an exhibition of computerised manufacturing aids from Britain at Madrid's Complutense University, lunch with King Juan Carlos, and a visit to the Cortes, the Spanish parliament.

In Mr Gonzalez, she faces a successful politician, even less troubled by threats from the opposition than she is.

Despite his socialist label, he has pursued economic and fiscal policies that would not embarrass a British Tory, and she is known to admire his successful campaign for membership of the North Atlantic Treaty Organisation in the 1986 referendum.

British business has lost out somewhat on the huge flood of foreign investment in this country in the last five years, but its projected visible trade surplus with Madrid will be a five-fold increase over 1987.

Just to prove it, she comes face to face with a British phenomenon in Madrid tomorrow when she opens Spain's first Marks and Spencer store.

It has been erected inside one of Spain's most venerable shops, the Galerias Preciados in the Plaza Callao, recently bought, revamped and refinanced by a Yorkshireman.

BBC World Service looks to 1992

By Robert Mauthner, Diplomatic Correspondent, in London

THE CREATION of a single European market in 1992 could transform the BBC's French and German language services, Mr John Tusa, managing director of the BBC World Service, told the Royal Institute of International Affairs in London yesterday.

In a speech to mark the 50th anniversary of BBC broadcasts to Western Europe, Mr Tusa said that, after 1992, "we shall be internal broadcasters free to have access where demand indicates.

"It is our intention to have in place by 1992 two services [in the French and German languages] which are well placed to take advantage of such new opportunities as arise."

Mr Tusa outlined a four-point strategy to widen and diversify the BBC's audiences abroad. In addition to direct broadcasting of the French and German services, encouraging results had already been achieved in the field of rebroadcasts by domestic radio stations, by obtaining access to cable networks and by the new "BBC 648" service.

This is a new combination of English, French and German programmes on medium wave, which can be heard in the "golden triangle of the European Community," as well as in south-east England.

Merged school expects backing from business

By William Dullforce in Geneva

THE MERGER of the Geneva-based IMI and the Lausanne-based Imede, formally announced yesterday, will create "the most significant international management training institution in Europe", Dr Juan Rada, its director-designate, said yesterday.

He claimed the "unprecedented" merger of two leading business schools would give it the potential to become the most significant in the world.

He foresaw greater business backing for the combined school and said he had received messages of support from European and US companies.

Differences over the choice of director and the location of the merged school were thrashed out between the boards of the two schools over the summer.

IMI's Dr Rada has been preferred to Imede's dean, Professor Derek Abell, but the principal site for the merged faculty will be at Imede in Lausanne.

Mr Kaspar Cassani, vice chairman of IBM, will be chairman of the new institution which will become fully operational from January 1, 1990.

The intention is to create a highly practitioner-oriented institution committed to strengthening existing partnerships with all sectors of industry, according to the announcement by Mr Louis von Planta, the former chairman of Ciba-Geigy, who presided over the merger talks.

Dr Rada said that, to meet the demands of the 1990s in the training of managers, the walls between school and industry would have to be converted into membranes. He anticipated a much higher level of involvement by companies at all executive levels.

IMI runs a course leading to a master's degree in business administration for 56 students while Imede has 65 students on its MBA course.

HIGH UK DEMAND LIFTS REGISTRATIONS BY 12.6%

W European car sales surge in August

By Kevin Done, Motor Industry Correspondent

WESTERN European car sales jumped 12.6 per cent in August to 1.15m units, following a small setback in July, as sales surged again in all the major European volume markets.

New car demand is still at a record level in Western Europe and shows no sign of flagging, although most car makers expect the market to weaken slightly in 1989.

For the first eight months of the year new car registrations were 5.4 per cent higher than a year earlier at 9.01m units according to industry estimates and are still on track to exceed last year's record of 12.4m units.

Even the West German car market, the single biggest in Europe where sales in the first eight months were 2.6 per cent lower than a year ago, staged a modest recovery in August with a rise of 2.1 per cent.

While European car sales are generally weak in August, demand surges in the UK, stimulated by the unique institution of the annual change in registration letter.

Last month the UK accounted for 41.5 per cent of Western European car sales, as registrations jumped by 17.2 per cent to 477,000 units.

The UK and Spain are the fastest growing European volume markets with increases in sales of 12.1 per cent and 15.1 per cent respectively in the first eight months.

WEST EUROPEAN NEW CAR REGISTRATIONS
January-August 1988

	Volume (Units)	Volume Change(%)	Share (%) Jan-Aug 88	Share (%) Jan-Aug 87
TOTAL MARKET	9,011,000	+5.4	100.0	100.0
MANUFACTURERS:				
Fiat (incl. Lancia & Alfa Romeo)	1,342,000	+7.8	14.9	14.6
Volkswagen (incl. Audi and Seat)	1,297,000	+2.6	14.4	14.3
Peugeot (including Citroen)	1,144,000	+14.2	12.7	11.7
Ford	1,047,000	+1.5	11.6	12.1
General Motors (Opel, Vauxhall)	954,000	+3.3	10.6	10.8
Renault	901,000	+1.8	10.0	10.4
Mercedes-Benz	305,000	+1.1	3.4	3.5
Austin Rover	328,000	+8.4	3.6	3.5
Nissan	269,000	+8.3	3.0	2.9
Toyota	242,000	+2.6	2.7	2.8
BMW	242,000	+17.7	2.7	2.4
Volvo	185,000	+2.1	2.1	2.1
Total Japanese	1,350,000	+5.5	11.2	11.2
MARKETS:				
West Germany	1,901,000	-2.6	21.1	22.8
Italy	1,515,000	+2.4	16.8	16.4
United Kingdom	1,636,000	+12.1	18.2	17.1
France	1,412,000	+6.1	15.7	15.6
Spain	723,000	+15.1	8.0	7.4

Source: Industry estimates

While new car sales are booming in most of Europe – most spectacularly in the small Portuguese market with a jump of 61.7 per cent in the first eight months – demand has declined in four countries, West Germany, the Netherlands, Denmark and Norway.

The battle for West European market leadership is intensifying as Volkswagen of West Germany, the biggest-selling car maker in Europe for the last three years inexorably closes the early lead established by Fiat of Italy.

Fiat still leads the European car market with a share of 14.9 per cent after the first eight months, but its share is falling – the bulk of Italian sales fall in the first half of the year – and it is now only half a percentage point ahead of VW at 14.4 per cent.

The Peugeot group of France, which includes Citroen, and BMW of West Germany have made the most outstanding gains in sales volumes in the booming European market helped by the success of recent model launches.

Peugeot, which has its sights set on gaining market leadership by the early 1990s and is planning a 20 per cent increase in car production capacity over the next four years, has firmly ousted Ford from third place in the European car sales league and has increased its sales volumes so far this year by 14.2 per cent.

At the same time BMW, the West German executive car maker, has increased its sales volume by 17.7 per cent boosted by the success of its new 5-series cars.

Starting from a tiny base the US car makers are beginning to penetrate the European market with cars exported from the US. In the first eight months General Motors has increased its sales of North American-built cars in Europe by 98 per cent to 5,900 units, while Ford has increased its imported sales by 42.8 per cent to 2,800 units.

French broadcasting in turmoil as public TV workers strike

By Paul Betts in Paris

THE FRENCH broadcasting industry, popularly known in France as the "PAF" or "Panorama Audiovisuel Français," has been thrown into turmoil again with a strike in the country's public television channels.

The latest episode in the long-running French television industry soap opera has been sparked by the decision of the Antenne 2 state channel to hire Mrs Christine Ockrent, France's equivalent of Barbara Walters, as the star newscaster for its evening news programme.

To lure Mrs Ockrent back to the state network from the recently privatised TF-1 channel, Antenne 2 offered the star newscaster a monthly salary of FFr 120,000 ($18,900) a month – double the salary of the previous lead newscaster of the channel, Mr Henri Sannier.

This led to a wave of resignations in the network and a noisy political row over the administration of public television channels in France.

Antenne 2 programmes were blacked yesterday and the strike seemed likely to spread to the other state network, FR3. However, the French Socialist Government has been trying to defuse the row which has erupted at a particularly delicate time for the new Socialist administration. Indeed, Mr Michel Rocard, the Socialist Prime Minister, has just started consultations with other political parties to reorganise the French broadcasting industry and reform the current French broadcasting regulatory authority set up by the previous right-wing government.

The turmoil in the state sector television networks is also a direct consequence of the rapid deregulation of the French broadcasting industry started under the Socialists and accelerated under the previous right-wing government of Mr Jacques Chirac. France now has three private commercial networks, one private pay television station Canal Plus, and two national state channels.

Although the state channels benefit from licence fees, they have also had to scramble for advertising revenue in a fiercely competitive deregulated market.

This has led to an American-style ratings war between the different networks in France and the state networks have found themselves badly handicapped by their public channel status and their budgetary constraints.

Since the privatisation of TF-1, morale at Antenne 2 and FR3 has slumped, especially since the new management of TF-1 led by Mr Francis Bouygues, the French cement king, has had no scruples in attracting stars from the public channels by offering them glittering salaries.

EC urges further cuts among European oil refiners

By David Buchan in Brussels

THE EUROPEAN Commission yesterday urged further rationalisation among Europe's oil refiners, particularly in the south – even though capacity utilisation last year reached an European Community (EC) average of 72-79 per cent, the highest since 1980.

In a report that EC ministers are due to discuss in November, the Commission said the latest rise in capacity use masked considerable regional imbalances. Present utilisation compares with ratios ranging from 71-78 per cent in 1986 and 62-68 per cent in 1985.

Southern European countries had made little contribution to the overall 35 per cent cut since 1980 in EC oil product refining capacity, and little effort to adapt output to the general switch in demand from heavier to lighter fuels, the Commission report said. Their refineries thus remained less used than those in the north.

The Commission said it would like to see capacity utilisation in the Community rise to at least 80 per cent.

While acknowledging that taking action remained primarily the industry's responsibility it noted that the industry was still struggling with weak profitability and rising environmental costs. It urged governments to help the sector rationalise by repealing national restrictions and promoting takeovers of loss-making refining companies.

The Commission report stressed that, in forthcoming trade negotiations with the Gulf countries, care should be taken to safeguard European refining as a strategic industry. But it saw little threat, at present, from imported oil products which bear a 3.5-6 per cent duty, compared with duties almost double that for petrochemical imports.

Meanwhile, in Athens this weekend, EC energy ministers will discuss the dismantling of restrictions and monopolies in the European oil market.

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AMERICAN NEWS

Distrust mounts for both Bush and Dukakis

By Stewart Fleming, US Editor, in Washington

VICE-PRESIDENT George Bnsh and Governor Michael Dukakis, Republican and Democratic candidates for the White House, are beginning intensive preparations for their first debate on Sunday as evidence mounts that Americans find neither of them very appealing.

The most striking data in an ABC News/Washington Post poll published yesterday is not the fact that Mr Bush apparently leads Mr Dukakis by 50-46 per cent – recent polls have put the candidates pretty much neck and neck – but the distrust felt for both of them. The poll showed that when voters were asked whether they viewed the candidates favourably or unfavourably, 40 per cent said they had an unfavourable view of Mr Bush and 36 per cent of Mr Dukakis.

This represents a tactical victory for the Bush camp which has long been burdened by high unfavourable ratings for Mr Bush. It set out last month to try to drive Mr Dukakis's negative ratings up. In July only 23 per cent of those polled said they had a negative view of Mr Dukakis and in May it had been 10 per cent.

Although Mr Bush has had a slight edge in the polls for the past few weeks, some daily tracking polls are indicating that that advantage is slightly diminishing and that the two men are likely to go into the debate on Sunday dead even.

Among those who support him, Mr Bush seems to be making progress in convincing voters that he is the stronger candidate on some economic issues.

The campaign tactics of the candidates are becoming a focus of criticism and ridicule. Mr Bush's visit on Tuesday to a New Jersey factory which makes American flags drew acathing editorial comment from some of the reporters. NBC television recalled Samuel Johnson's comment that "patriotism is the last refuge of a scoundrel" and ABC Television's reporters said: "If the point was not to make an issue of Dukakis'a patriotism, what was it?"

The persistently negative tone of the campaign is also triggering a backlash, with the news media being increasingly critical of Mr Bush's efforts to manipulate them and the voters.

Chile to buy central bank debt

By Barbara Durr in Santiago

CHILE yesterday announced its intention to purchase its central bank's foreign debt at secondary market prices, the first Latin American debtor nation to make a sizeable outright purchase of its own debt through such an operation.

Chilean officials said yesterday that they notified the country's 350 international creditor banks that, starting last weekend, they would accept bids until October 31.

Only new debt, corresponding to the period of 1983 to 1985, to the Chilean central bank will be considered, as well as central bank credits that were restructured, according to Mr Alfonso Serrano, vice-president of the central bank. Mr Serrano said that the debt eligible is about $4bn. Total foreign debt is $18.6bn.

Decisions on the bids by Chile's economic authorities will be after October 31 and they reserve the right to purchase part or none of the debt offered. The final date could be extended to November 15.

Manufacturers Hanover Trust, which chairs Chile's bank steering committee, will be the agent for this operation. Chilean debt is trading on the international secondary market at about 60 per cent of its face value.

Struggling to forge an Argentine debt deal

Stephen Fidler *reports on the prospects of another success for 'crisis management'*

THE history of the Third World debt problem is one of crisis management. As one crisis is "managed", so another moves into view.

The "case by case" approach to the crisis appears for now to have accommodated Brazil, as the signing of its new financing package begins tomorrow. That this should have been possible one year after relations between Brazil and its creditors sank to an all-time low is a tribute to the flexibility of this approach.

Argentina is offering this year's apparently intractable debt problem. In arrears to its commercial bank creditors by more than $1bn on its medium- and long-term debt, Mr Raul Alfonsin'a Government is looking for new financing from banks and other creditors. It expects loans from the World Bank totalling $750m in return for reform of the financial and trade sectors of the economy and is in talks with the International Monetary Fund over a loan of perhaps $1.2bn.

As is customary, the country will not get an IMF loan until it puts into place an IMF-agreed economic programme.

Complicating the picture is the presidential election next May in which the incumbent Radical Party is being challenged by a Peronist candidate of the old populist school, Mr Carlos Menem. He has promised a five-year halt to debt-servicing if he wins power.

The presidential election and the perception of the fragility of the political process in Argentina adds a complication to this crisis that was not present in the case of Brazil. While Brazil's $121bn debt offers a greater threat to the international banking system than Argentina's $56bn, there is more of a political dimension to the Argentine problem. The IMF, World Bank, and the financial leaders of the West do not want to be seen as having jeopardised the democratic experiment in Argentina. This is felt especially keenly in the US, where the Administration has taken a lead in trying to resolve the crisis.

But simply to hand money over to Argentina would bring an array of other problems with important consequeoces for the overall approach to the debt crisis.

Problem number one centres on the concept of "conditionality" – that to be eligible for IMF credits a country must agree to abide by certain economic conditions. Several countries represented on the IMF executive board – Britain, Japan and West Germany in particular – were extremely worried by the looseness of the IMF conditions on the Brazilian deal.

By general agreement, Brazil achieved the loosest IMF accord of any major debtor.

Furthermore, in the Argentine case, there is simply no guarantee that any economic plan cao be extended past April. Last month, the Government anoounced a series of ecooomic measures designed to satisfy the IMF.

Carlos Meoem: threat to debt-servicing

Yet, if accepted by the IMF, the measures, known as the Primavera (spring) plan would devalue still further the IMF *imprimatur*. The fact that the country is out of compliance with its 1987 IMF programme, that the measures themselves – even if carried through – would probably be inadequate to curb the budget deficit to the IMF's satisfaction, and that some of the promised measures are not due for introduction until one month before the election – all encourage scepticism about the plan.

The second problem concerns the willingness of banks to lend new money to Argentina. Why should they "push good money after bad", when the favourite in May's election is promising a freeze on debt-servicing? Yet, commercial banks have been part of every finance package since the crisis began.

Even if the politicians manage to cobble together a finance package, there are few incentives for banks to join. The likelihood has always been that, if there was a bank package for Argentina, it would have to contain a clause allowing banks to avoid putting in new money by allowing interest capitalisation. As arrears build up, this is *de facto* what is happening. But bankers say it will not be long before they start pulling short-term credit lines to the country, if they are not paid interest soon.

What has happened so far has also illustrated another problem: a difference in approach between the World Bank and the IMF. One central banker said: "The World Bank has had its foot on the accelerator while the IMF has been pressing on the brake."

The picture is not all gloom. The US drought (which has raised the price of Argentine grain and soya bean exports) and some revival in exports of manufactured goods are helping the trade position, and foreign exchange reserves are believed to be close to $3bn.

The US has managed to persuade other industrialised countries to join a $500m bridging loan for Argentina – which, because of the improvement in reserves, has more of a symbolic than practical significance. Despite some countries' misgivings, this looks as if it will be entirely tied to World Bank rather than IMF financings.

The IMF and commercial bank financings appear to be running on a different tack, however. There are those who believe that the best case would be for the situation to continue unresolved in the hope that the trade position remains strong and there can be a more realistic look at the programme after May. Whatever the case, Mr Alfonsin has powerful friends in the US Administration and in a personal relatiooship with Mr Michel Camdessus, managing director of the IMF.

That no one wants the engineering of the demise of democracy in Argentina on their conscience is Mr Alfonsin's most powerful weapon. It is the best reason for believing that some deal will be forged – or perhaps more accurately, fudged – to keep up appearances. Whether this will be enough to help the Radical Party next May is another question.

US consumer prices show moderate August rise

By Stewart Fleming

US CONSUMER prices rose by a moderate 0.4 per cent in August, bringing the annual rate of inflation so far this year to 4.6 per cent, compared with 4.4 per cent in 1987.

The increase will have eased fears that a sharp rise in the pace of inflation, which would increase the pressure on the Federal Reserve to tighten monetary policy, is imminent.

The continued moderate pace of inflation will also be welcome news to the presidential election campaign of Vice-President George Bush, reinforcing his argument that the economy is strong but not in danger of overheating, and diminishing the prospects that increases in interest rates could create problems for him in the period before the election in November.

The Commerce Department also reported yesterday that new housing starts fell by 3.2 per cent last month, some 10 per cent below last year's and confirming that recent increases in mortgage rates and house prices are having a dampening effect on housing activity.

The Commerce Department also reported that personal incomes rose by only 0.2 per cent last month, down from a 0.7 per cent increase in July and a 0.6 per cent rise in June.

Significantly slower growth in wages and salaries accounted for the decline. But personal consumption rose by 0.5 per cent, up from 0.3 per cent in the previous month.

Shultz and Shevardnadze for Washington talks

By Our Foreign Staff

MR EDUARD Shevardnadze, the Soviet Foreign Minister, begins two days of talks with Mr George Shultz, his American counterpart today in Washington.

The talks – the 28th meeting between the two men – are expected to produce little of substance, though Rozanne Ridgway, Assistant Secretary of State for European Affairs, said that Mr Shultz hoped to make modest progress on human rights and arms control. Regional problems, including Afghanistan, will also be on the agenda.

On arms control, the two will discuss protocols that could lead to the ratification of two nuclear testing treaties, and assess the progress that has been made towards a strategic arms agreement and finding a mandate for conventional arms talks.

Ms Ridgway said that Mr Shevardnadze would meet President Ronald Reagan and had agreed to meet Mr George Bush, Vice-President and the Republican candidate in the presidential election. This would be the first private meeting between the two men. "It's an opportunity he (Mr Bush) didn't want to miss," said Mr Steve Hart a spokesman for the Bush campaign.

Mr Shultz and Mr Shevardnadze might discuss a proposal by Mikhail Gorbachev, the Soviet leader, to convert the Krasnoyarsk phased-array radar into an international space centre. The radar station has been at the centre of a long-standing dispute. Washington says the base violates the 1972 Anti-Ballistic Missile treaty.

Mr Shevardnadze will go from Washington to New York, where he will attend the UN General Assembly meeting.

Brazil congress clashes with officials on budget

By John Barham in Sao Paulo

GOVERNMENT officials and members of Brazil's congressional budget committee are locked in dispute over next year's budget – the first occasion in almost 20 years that Congress has had a say in drawing up the budget.

The new constitution grants the legislature broad powers to control public finances and the hope was that Congress would emulate its US counterpart's overseeing role and keep federal spending under control.

But the politicians sitting on the budget committee want to increase, rather than reduce, government spending. They plan to ease local government's $2.5bn foreign debt burden by shifting more of the cost of financing it to central government.

Budget deficits are said to be fuelling Brazil's inflation. The government has promised the International Monetary Fund it would cut the deficit to 4 per cent of gross domestic product this year and to 2 per cent in 1989.

However, this year's target is already out of reach. The 1989 draft budget that government technocrats sent Congress is already 25 per cent above the IMF's target and can obviously bear no more expenditure.

Influential congressional leaders insist that state governments be allowed to refinance all their foreign debts, as the federal government does. The draft budget says they must pay back one quarter of their loans.

That does not mean foreign banks would be getting their money back. Brazil stopped paying most of the principal on its $121bn foreign debt six years ago. The states would pay their money into local currency accounts held by creditors at the central bank.

Mr Mailson da Nobrega, the Finance Minister, is determined to contain government spending. But state governors and their allies in Congress are less committed to fiscal rectitude. The constitution requires the federal government to transfer a large portion of its tax revenues to state administrations.

Mr Orestes Quercia, governor of Sao Paulo, the wealthiest state in Brazil, said the debt provisions show that Mr Nobrega is bent on revenge over his lost tax income. An American bank economist warned earlier this year that it will be difficult, if not impossible, to keep the lid on local government spending.

Tokyo maintains icy relations with Moscow

By Ian Rodger in Tokyo

Gorbachev: speech welcomed

THE Japanese Government is maintaining its tough stance toward the Soviet Union, despite the call by Mr Mikhail Gorbachev, the Soviet leader, in a policy speech on Asia last week, for an improvement in bilateral relations.

Relations between the two countries have remained icy since the end of the Second World War because of a territorial dispute over four islands in the Kuriles chain north of Hokkaido captured by the Soviet Union in the final days of the war. The two have still not signed a peace treaty.

Japanese Foreign Ministry officials yesterday welcomed the Gorbachev speech but said that the only way bilateral relations could be improved was through a settlement of this dispute.

The Japanese appear to sense that they can now be tough on this issue because the Soviet Union is increasingly eager to gain access to Japanese technology. Referring to the planned official visit to Japan later this year by Mr Eduard Shevardnadze, the Soviet Foreign Minister, a Japanese official said: "We hope he will bring a lot, but it is up to him to evaluate the whole USSR-Japan bilateral relationship".

Officials acknowledged that the Soviet approach to the issue of the four islands appeared to be changing. For a long time, the Kremlin would not acknowledge that a dispute existed. This year, Soviet officials have suggested informally that the islands be leased to Japan, perhaps together with a part of Sakhalin island as a sweetener.

When Mr Yasuhiro Nakasone, the former Japanese Prime Minister, visited Moscow last month, he discussed the question with Mr Gorbachev, according to Japanese officials.

Japanese officials are now pinning their hopes on the planned Shevardnadze visit. They said they would expect Mr Shevardnadze at least to discuss the matter seriously when he came to Tokyo.

Officials were at pains to say that, despite the political tension between the two countries, the volume of trade between them was twice as big as that between either the US and the Soviet Union or the UK and the Soviet Union.

EMPEROR Hirohito of Japan, who fell critically ill in Tokyo on Monday, was said by his chief physician yesterday to be in a stable condition under intensive care, writes Ian Rodger.

The Emperor's illness has already begun to have an impact on the plans of senior Japanese public figures.

Mr Yasuhiro Nakasone, the former Prime Minister, cut short a European tour, returning yesterday from London to pay his respects to the Emperor.

Mr Sosuke Uno, the Foreign Minister, cancelled an official visit to Washington later this week but left open the possibility that he would attend the United Nations General Assembly session in New York next week.

While in New York, Mr Uno is planning to meet Mr Eduard Shevardnadze, his Soviet counterpart, to complete arrangements for a visit by Mr Shevardnadze to Tokyo in December.

It was unclear yesterday whether Mr Kiichi Miyazawa, the Finance Minister, would go to Berlin at the weekend for the annual meeting of the IMF.

The Government is also considering whether to ask the Italian Government to postpone visit by Mr Ciriaco de Mita, the Prime Minister, which is to begin on Sunday.

Today, the Cabinet is expected to approve a request from the Imperial Household Agency transferring the authority of state from the Emperor to Crown Prince Akihito.

Hong Kong tests out the ballot box

Michael Marray considers the Legislative Council election

TODAY is polling day in Hong Kong's indirect elections to the Legislative Council, its lawmaking body, and the candidates have this week been delivering their final messages to the voters.

The electorate to which they are appealing is tiny – less than 2 per cent of the territory's 5.6m inhabitants are eligible to vote. The successful candidates will form a minority of only 26 seats in the 56-member assembly, with the other 30 places filled by government officials or appointees.

Indirect elections to Legco were first introduced in 1985, as part of a gradual move towards more representative government in the colony, sovereignty over which reverts to China in 1997.

The issue of whether to go one step further and introduce direct elections in 1988 subsequently became the subject of considerable controversy, until the Government announced in February this year that after conducting a political review it had decided to wait until 1991 for a popular vote.

Among the most outspoken critics of this decision, and what he sees as the Hong Kong and British Government's habit of kow-towing to Peking on the territory's future, was Mr Martin Lee, a local barrister who sits in the assembly representing the legal constituency.

Mr Lee said that he still viewed the outcome of the vote today as important, and points to a number of fiercely fought battles between conservative and liberal elements as of particular interest.

But he laments the fact that the public is not part of the process and regards the failure to hold direct elections now as a setback on the road to more democracy in Hong Kong.

Mr Lee and his supporters contend that the decision came after Peking applied the brakes to political reform pending the release of its own Basic Law, the post-1997 mini-constitution for the territory which will be promulgated in 1990.

Mainland officials have been in the territory for the past few weeks gathering views on the first draft of the Basic Law, as part of an initial period of consultation which ends on September 30.

The Government counters criticisms levelled at it by arguing that change should be evolutionary rather than revolutionary, and points to a need to progress carefully to preserve stability.

Deputy Chief Secretary Mr John Chan argues that even under the present system there is considerable interest among the general public in the elections, and sees them as helping foster the growth of political awareness locally. "The publicity through the mass media all contributes to the overall exercise," he said.

The Hong Kong public has been going to the polls since the early 1980s, when regional bodies such as the Urban Council and District Boards started to hold elections. Voter interest has not been high historically, with the District Board elections held last March attracting some 425,000 votes, less than 30 per cent of those registered and only 12 per cent of those eligible to vote.

Of the 26 seats being contested today, 14 will be decided by the so-called functional constituencies, in which professional groupings such as teachers, trade unions and accountants each elect representatives.

The remaining 12 will be chosen by electoral colleges consisting of members of the District Boards and Urban and Regional Councils, many of whom are government appointees. Thirteen candidates will be returned without a fight, leaving 33 others contesting the remaining 13 seats.

The system leaves little room for preferences expressed in the polling booths to lead to any significant change in the way Hong Kong is governed, but the casting of votes does at least mean a degree of popular representation in the colony's government.

The ballot box is a relatively new part of Hong Kong's political process and the jury is still out on just how important a role it will be allowed to play in the run up to the change of sovereignty in 1997 – and beyond.

Kampuchea UN seat challenged

By John Ridding

A GROUP of 12 Nobel Prize winners, including Archbishop Desmond Tutu of South Africa, urged the United Nations yesterday to remove the Coalition Government of Democratic Kampuchea from its seat at the world body.

The group believes the coalition, which is fighting a guerrilla war against the Vietnamese-backed Phnom Penh regime, should not represent the Kampuchean people because it is dominated by the Khmer Rouge.

The Khmer Rouge Government of 1975-78 was responsible for the deaths of more than 1m Kampucheans. It was overthrown by a Vietnamese invasion.

The UN has recognised the coalition as Kampuchea's government since its formation in 1982. The Khmer rouge, the largest faction in the tripartite coalition, has received UN aid and diplomatic support.

The Nobel Laureates describe this record as "deplorable" and state that "the only honourable course now open to the international community is to refrain from accepting the credentials" of the coalition.

Instead, they argue, the seat should be given to the Phnom Penh Government on the condition that free elections take place under UN supervision.

The UN has not yet responded to the appeal but in the past it has argued that armed intervention by the Vietnamese should not be rewarded.

Ironically, the terms of the eppeal are similar to recent demands by Prince Norodom Sihanouk, the former leader of the coalition, who resigned his post in June. Last month he called for the coalition to be declared illegal so as to reduce supplies for the Khmer Rouge.

IMF offers standby to Jamaica

By Stephen Fidler in Limassol

THE International Monetary Fund has indicated to Jamaica a standby financing programme for the country in spite of the devastation wreaked by Hurricane Gilbert.

Mr Horace Barber, leading the Jamaican delegation at the Commonwealth Finance Ministers conference here, said the programme would be reviewed after a few months. The move should allow the country to draw down IMF funding and is said to indicate the Fund's willingness to be flexible in the face of such disasters.

Mr Barber said the country's foreign debt could double from the current $3bn, as it attempts to right itself after the storm.

He said Jamaica, to which Britain pledged £3m of support yesterday, would co-operate with the World Bank in establishing a public investment programme over the next three to five years.

Ministers also heard a request from the Bangladesh Minister of Finance Mr Wafidul Haque, for aid after the floods in his country.

The country has lost grain crops totalling 2.7m to 3m tonnes, and required 1m tonnes of food aid.

Civilians shoot back at Burmese troops

By Roger Matthews in Bangkok

OPPONENTS OF the Burmese military regime yesterday began using guns to hit back at troops patrolling the streets of Rangoon and guarding key government buildings.

Shooting was heard from many parts of the city during the day and there were two reports of men opening fire from cars at troops' positions. The military responded by carrying out extensive house to house searches in the city's commercial district.

Demonstrators are believed to have seized several hundred weapons during attacks on at least four police stations during the bloody attempt on Monday by the military to crush the popular revolt. Rangoon radio yesterday again raised the number that it has admitted was killed to 120, double the figure it gave on Tuesday, while Western diplomats now think that more than 500 people may have been killed by the troops.

There were unconfirmed reports that dozens of bodies had been buried in a military cemetery in the north of the capital and many families still did not know officially the fate of their children.

Street fighting was also reported from Mandalay, Burma's second-largest city.

General Saw Maung, who headed the military takeover on Sunday, yesterday appointed himself Prime Minister in addition to the defence and foreign portfolios. Opposition leaders, such as General Tin Oo and Brigadier-General Aung Gyi, who knew Gen Saw Maung before they fell out with the regime, have still not received any response to their request for a meeting.

However, a spokesman for Aung San Suu Kyi, who has close links with student leaders, stressed that the six-week strike would continue until the regime gave way to an interim government pledged to hold free multi-party elections.

Gandhi takes tough line on terrorism

By David Housego in New Delhi

MR RAJIV GANDHI, the Indian Prime Minister, took a tough stance against terrorism when he visited Punjab yesterday for the first time in three years.

But he was virtually silent on political plans for the province, saying only that he would invite Sikh and other opposition leaders to Delhi to discuss Punjab's problems.

Addressing large crowds, the Prime Minister said: "I have come to the Punjab to pay homage to all those people, irrespective of party affiliation, who have faced the bullets of the terrorists while defending the integrity of the country."

One of Mr Gandhi's stops took him to Goindwal, one of the main towns of Sikh pilgrimage, and hence the centre of Sikh extremists. Security forces were heavily deployed as he spoke from behind a bullet-proof screen.

While praising the security forces, Mr Gandi also warned them against harassing innocent people. He said: "We must have the support of the people in the fight against terrorism."

Marcos offers to pay Manila for immunity and return home

By Richard Gourlay in Manila

FORMER Philippine President Ferdinand Marcos has offered to exchange up to $1bn frozen in Swiss bank accounts for immunity from criminal prosecution and clearance to return home from exile in Hawaii to a non-political life of writing his memoirs.

The offer, relayed indirectly to President Corazon Aquino last month, is the first suggestion that Mr Marcos might try to persuade Manila of his sincerity with a goodwill down-payment from the billions of dollars he is alleged to have stolen before being ousted in February 1986.

It is also the first time Mr Marcos has specifically suggested freeing the funds that Swiss cantonal courts have frozen. "I intend to instruct my attorneys immediately to prepare the appropriate documents consistent with applicable Swiss laws and treaties for my signature which will cause the prompt transfer to the Philippine Government those eccounts that are currently disputed in Switzerland," Mr Marcos wrote in a letter dated August 5 to Professor Allen Weinstein, president of the Washington-based Center for Democracy.

Mr Weinstein says he forwarded a similar letter from the deposed president to Mrs Aquino at the same time and has since been acting as an intermediary with Mr Marcos, Imelda, his wife, and other representatives.

In July Mr Marcos first offered $5bn to return, according to Mr Weinstein and the Philippine ambassador in Washington, although the former President denies the offer was made. Philippine officials rejected it outright, saying Mr Marcos was only trying to avoid indictment by federal prosecutors on fraud charges in New York City, while Mrs Aquino reportedly said: "Send the $5bn first and then we will talk." Official policy in Manila had not changed last week.

Mr Weinstein said last Thursday that, at a meeting in Hawaii on August 8, Mr Marcos said *his* lawyers had already prepared the documents instructing the transfer of the accounts hut that he was not yet prepared to part with a copy for transmission to Manila.

"The Philippine Government is still deeply sceptical," Mr Weinstein said, "hut, then again, what has he done other than write letters?" In his most recent letter, Mr Marcos said his action would serve as "unequivocal evidence of my sincere effort to reconcile with the Aquino Government".

The deal Mr Marcos sought in his August letters included immunity from prosecution for past offences – although nowhere does Mr Marcos admit to any – the right to live in his home province of Ilocos in exchange for a promise that he and his politically active family would retire from politics.

However, there is broad suspicion that despite his deteriorating health, Mr Marcos's still alert mind would soon bring him back into politics. The party that supported seven years of democratic government and 14 years of martial law, has largely disintegrated but Mr Marcos still commands support.

Relief plane crashes

A RED CROSS DC-3 transport plane carrying relief supplies for Mozambique crashed on a farm near Harare injuring three people on board, police said yesterday, AP reports from Harare.

One of the Dakota's two engines evidently failed and the pilot was looking for a place for an emergency landing when the aircraft crashed, police said.

Taipei opens door to China

TAIPEI is preparing to widen the door to China through approval of visits by civic and sports organisations – in addition to the already-sanctioned visits for "family reunions," writes Bob King in Taipei.

Premier Yu Kuo-hwa underlined to Parliament a new government policy adopted at last July's congress of the ruling Nationalist Party that distinguishes between the Chinese Communists and the people of China in determining contacts between the two sides.

Taiwan for years forbade its citizens from visiting China because both Taipei and Peking refuse to consider as finished the civil war that began in 1946.

Peking and Taipei consider themselves the sole legitimate government of all China, and the tiny size of Taiwan has made security a major concern in Taipei. Bnt the premier's remarks signal that Taiwan's selective policy of liberalisation towards the Communists is continuing to hroaden.

Spirited Chinese show their potential in swimming

MICHAEL THOMPSON-NOEL IN SEOUL

THERE WAS more epic churning in the Seoul Olympic swimming pool yesterday when five magnificent finals produced three world records.

But the performance that heralded e new dimension in international sport was that of Chinese swimmer Xiaomin Huang, who torpedoed to a silver medal in the women's 200 metres breast-stroke final.

At the three-quarters mark, the lofty Chinese was trailing four rivals, but over the last 450 metres produced such an astonishing sprint that she finished second, only 0.78 seconds behind Silke Hoerner of East Germany who captured the gold medal with a world record swim of 2 minutes 26.71 seconds.

In other finals, Tamas Darnyi of Hungary won the men's 400 metres individual medley in a world record tims of 4 minutes 14.75 seconds, and the US won the men's 200 metres free-style relay with a world record churn of 7 minutes 12.51 seconds.

Other golds went to East Germany in the women's 200 metres free-style, and to Surinam in the men's 100 metres butterfly – where Britain's Andy Jameson won the bronze medal.

Amid snch splendour, Huang's silver medal swim for China in the 200 metres hreast-stroke looked especially fine, and confirmed that the Chinese, with their enormous gene pool and ability to make spirited leaps forward in almost any sport they choose, are truly on the march after returning to international sports competition in the late 1970s.

Huang was not the first Chinese swimmer to win an Olympic medal. That particular barrier fell in Seoul three days ago when Yong Zhuang finished second in the women's 100 metres free-style.

Bnt Huang's swim showed that despite their rawness, China's swimmers are catching up with the record husters of the US, Eastern Europe and Australia. After her swim she said: "I am very satisfied with my second place. In the end I have lost only to the nsw world record holder."

China's surge to Olympic prominence has been remarkably swift, because it had not won any Olympic medals before the Los Angeles games four years ago, when the absence of most of the Eastern bloc helped them win 15 gold medals and 22 medals in all, thanks partly to their brilliant gymnasts.

Diving is a sport in which the Chinese have made dramatic progress. On the second day of competition in Seoul, Xu Yanmei won the gold medal in women's platform diving, and on Tuesday Chinese divers won silver and bronze behind America's Greg Louganis in the men's springboard event.

To find their raw material, Chinese diving coaches search for strength, flexibility and body type among millions and millions of schoolchildren who havs prohahly never seen a swimming pool.

Dr Gao Chongxuan, of the National Research Institute of sports science in Peking, said in an interview: "We have set up selection criteria for most sports: height, weight, ratio of upper body to lower body, and circumference of various limbs. In the West, your primary schools have pools, a gymnasium, even their own tennis courts. We don't have enough facilities, so we have to select athletes who have never played sports before."

No wonder the Chinese are keen to host the Olympics in Peking in 12 years. By then, they will have an awful lot to celebrate.

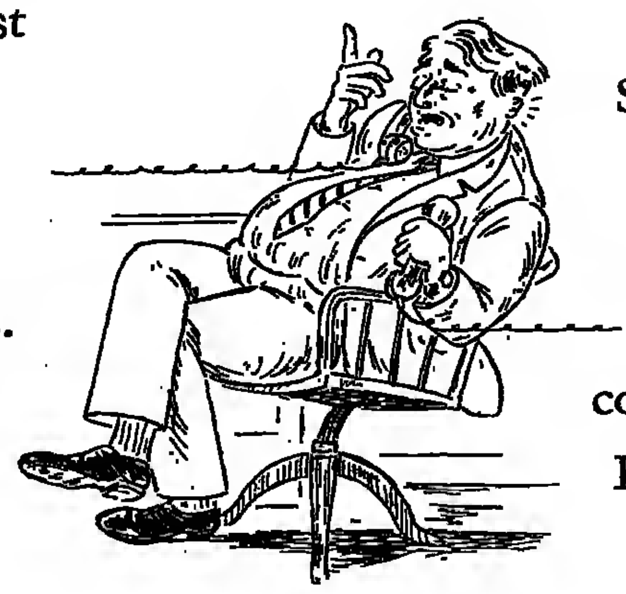
CAUTIONARY TALES

A Campaign of Moral Instruction

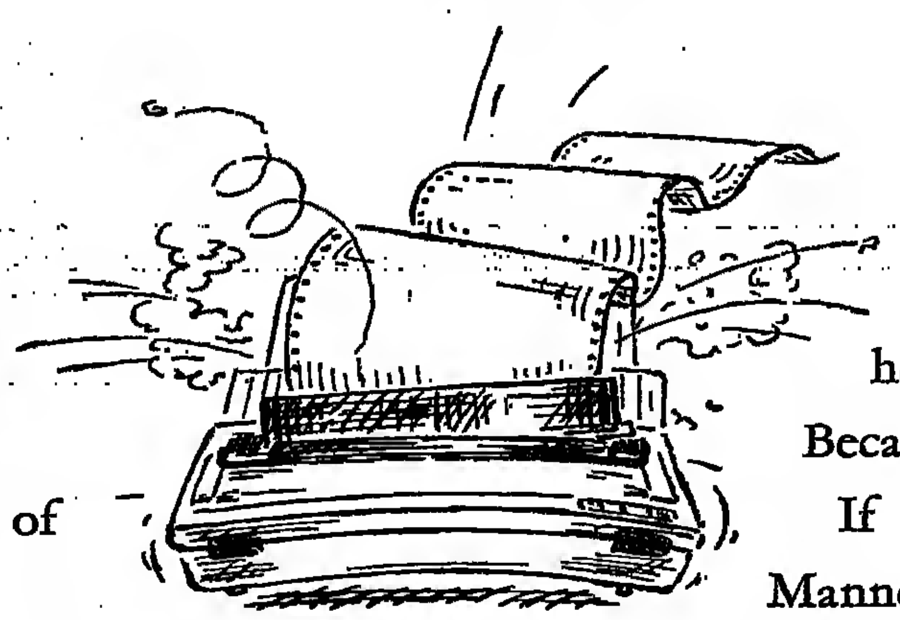
1. Gilbert De Winter.

Who knew best and suffered accordingly.

Gilbert De Winter
had the smallest
of ears.
Built to
ignore others'
thoughts and ideas.
Encumbered in
life by an enormous
frame.
And a rattling noise
made by his
brain.
He ran his business on
nothing but whim.
And not surprisingly
his business ran him.
(Literally as you can see.)
Due to ignorance of
Mannesmann Tally.
NO! not for De Winter a
reliable printer.
But something
from the
East.
Suggested over
a feast.
With an
old chum
from Harrow.



Whose view was equally
narrow.
Such idiocy
in life.
Often ends
in strife. And of
course in time.
His printer went
down.
Sending gibbering De Winter.
Who was hardly
a sprinter.
On a search
for service.
Proving clearly
he was a novice.
Because.
If he'd chosen
Mannesmann Tally.
He would have got it
automatically.
BUT HE DIDN'T! And
day after day.
As was his way.
He continued
puffin'
until there
was
nuffin'.



—MORAL—

Before you buy a computer printer,
REMEMBER the demise of foolish Gilbert De Winter.

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WORLD TRADE NEWS

Offers tabled on tropical products

By William Dullforce in Geneva

THE US, Japan, three Nordic countries and New Zealand have made firm offers in the General Agreement on Tariffs and Trade this week to open their markets to tropical products from developing countries.

These offers have substantially improved the chances that an agreement to liberalise world trade in tropical products – estimated at nearly $60bn a year – can be reached at the mid-term review of Gatt's Uruguay Round in Montreal in December.

Some 80 per cent of all tropical products originate in developing countries, which have been pleading for improved access for the past 20 years.

By their announcements this week, industrial countries have started to demonstrate their readiness to implement the pledge given by their trade ministers at the start of the Uruguay Round to give priority to tropical products.

Gatt divides tropical products into seven groups, ranging from coffee and cocoa, through fruits, nuts, spices, vegetable oils, tobacco, rice, manioc and other roots, to woods, rubber and jute.

The US said it was willing to eliminate "on an expedited basis" all tariffs and other barriers to trade for a list of 128 items. These, it said, covered 75 per cent by value of all the tropical products under discussion in Gatt.

Finland, Norway and Sweden tabled lengthy lists on which they were prepared to negotiate and which they stressed were not exhaustive. New Zealand listed the wide range of imports which it is already liberalising.

All the offers – apart from New Zealand's – were made conditional on other developed countries following suit. Australia, Canada and Hungary said they were about to submit lists.

The European Community, which took the initiative in Gatt talks last October when it offered to remove trade barriers and do away with consumption taxes on coffee, tea and cocoa, is preparing its own detailed list.

Tokyo closer to taking EC to Gatt over anti-dumping

By Peter Montagnon, World Trade Editor, in Brussels

JAPAN HAS moved a stage further towards taking tha European Community to the General Agreement on Tariffs and Trade over its anti-dumping policy following the failure last week of attempts to reach a bilateral resolution to the dispute.

Mr Muneoki Date, Japan's ambassador to the EC, said it was now "99 per cent certain" that Japan would call for a Catt panel to be formed to adjudicate on the issue.

This is believed to be the first time Japan has used Gatt in a trade complaint against a major trading partner.

EC officials say tbey will take no action to block the formation of the panel which they expect Japan to request later in the autumn.

They say they will use the panel to defend their contention that tbe practice of extending dumping penalties to products assembled in the EC from imported components is in keeping with Gatt's anti-dumping code.

Gatt permits its members to take action to prevent circumvention of anti-dumping duties, but Japan argues tbat this right does not extend to the imposition of local content requiremaots on products manufactured in the EC.

Mr Date said yesterday that there was no local content requirement on European companies in the consumer electronics field, many of which were importing components from the same sources as Japanese firms operating in the EC.

The failure of the talks last week, which are now recognised by both sides as forming the bilateral attempt at reconciliation required by Catt, means that it will now be up to the Geneva-based organisation to adjudicate on what has become a sensitive and controversial issue of trade policy.

Trade experts say Japan's expected move will come under scrutiny as its partners look for signs that it represents a deliberate shift towards a policy of more aggressive use of Gatt against its trading partners.

However one suspicion here is that Japan will decide to take the unusual step of going to Gatt over EC dumping policy because it is anxious to weaken EC resolve in pursuing a pending dumping action against Japan on semi-conductors.

This case is regarded as more serious for Japan than other EC actions which have covered items such as VCRs, electronic typewriters and electronic scales.

HK Dragonair wins Peking rights

By Michael Marray in Hong Kong

AFTER three years of lobbying, Hong Kong Dragon Airlinas will be flying to Peking next month after obtaining permission from the colony's Civil Aviation Department to lay on eight round-trip charter flights in October.

The CAD said it had approved Dragonair's application in the light of forecast heavy demand during the traditionally busy month of October, when Cathay Pacific Airways will itself be putting on extra non-scheduled capacity to complement its scheduled services.

It will mark the first time that Dragonair bas flown alongside Cathay.

CAD said that approval for the Dragonair flights in no way alters tha Government's policy in respect of designation of carriers for scbeduled services, which is based on the principal of "one route, one airline".

Business urges UK to expand Taiwan links

By John Elliott in Taipei

A GROUP of British businessmen in Taiwan has urged the UK to increase its recognition of the Taipei Government by opening a visa office in the country and by permitting British Airways to start flights.

Reprasenting companies such as British Petroleum, ICI, Shell and Glaxo, and banks snch as Standard Chartered, Barclays and Lloyds, it has told the British Department of Trade and Industry in a letter this week that the UK is losing business in Taiwan because of the lack of visa facilities and flights.

The British Govarnmant does not formally recognise Taiwan and is believed to be unwilling to make any move on visas or air flights because it is anxious not to offend China and thus npset talks between the UK and Peking over Hong Kong reverting to Chinese sovereignty in 1997.

Visas have to be obtained by Taiwan citizens from Hong Kong, a process which can take a month. However several of the UK's trade competitors including the US, Canada, Australia, France, West Germany and Sweden run visa offices in Taipei and complete formalities within a day or so, even though they do not formally recognise the Taiwan Government.

The Department of Trade and Industry in London has recently shown increased interest in expanding trade with the economy of Taiwan where it is represented by a British official in a trade liaison office.

The UK is Taiwan's second-biggest European trading partner after West Germany. Last year UK exports to Taiwan grew by 117 per cent. In the first half of this year there was a further increase of about 35 per cent over the same period last year with UK exports totalling $596m and imports from Taiwan totalling $1.08bn.

Japanese develop a taste for Vienna

By Judy Dempsey in Viennn

AN UNUSUAL marriage between a small Austrian family firm, an Austrian architect, and a Vienna art gallery has ended with an economic honeymoon in Japan.

Wiesner Hager, the family firm, has been making high qnality furniture and other interior designs since the 1840s. For years, it furnished the homes of some of the more fashion-conscious Austrians.

But its fortunes turned dramatically in 1986 after the renovation of the Secession, the fin-de-siècle gallery founded by the artist Gustav Klimt and others in 1898.

Mr Adolf Krischanitz, the gallery's main architect and a leader behind the renovation, had designed chairs and tables for the newly-revamped gallery. After many attempts to find someone to make this elegant wooden furniture, he found Wiesner Hager.

Tha response was remarkable. Not only did Wiesner Hager's annual turnover increase from Sch626m (£28m) in 1986 to Sch684 in 1987, and is reckoned to reach Sch730m for this year, but of the foreign markets that might have taken an interest in Wiesner Hager's work and Krischanitz's designs, it was the Japanese who did so.

In September 1987, Wiesner Hager and Sinco, a leading Tokyo-based furniture distributor which has a special interest in furnishing cafes and restaurants, got together. By March 1988, a contract was signed for Sinco to market Wiesner's goods throughont Japan and south-east Asia.

The liaison has proved successful. In the first half of this year, Wiesner Hager's turnover in the Japanese market topped Sch6m and exports, mostly to Japan, Switzerland and West Germany, make up 30 per cent of output.

Mr Markus Wiesner, the managing director of Wiesner Hager's furniture division, says part of the success in Tokyo is because of the changing tastes of the Japanese. "Vienna is 'in' at the moment in Japan," he says, hoping soon to capture another south-east Asian market.

'Post-war' Iraq inflates its economic ambitions

Andrew Gowers and **Stephen Fidler** report on reconstruction plans which lack priorities

WESTERN companies' hopes of winning lucrative business in post-war Iraq are being clonded by renewed worries about the country's debts and by recent talk of sanctions against the Baghdad regime.

As contractors prepare for tbe annual Baghdad trade fair in November, caution has replaced the extravagant expectations of a reconstruction boom aroused by the Culf ceasefire. Businessmen, bankers and export credit agencies are focusing less on Iraq's desire to launch new projects and rebuild old ones than on its ability to pay for any fresh commitments it may take on.

Of Iraq's eagerness to press ahead with reconstruction there is no doubt. The ceasefire has prompted the Government to resume talks with a number of Western companies about projects ranging from power stations, petrochemicals plants, hospitals, dams, water pipelines and the manufacture of aluminium, to a new metro system for Baghdad.

But businessmen worry that there is little sign of a sense of priorities amid the flurry of spending proposals. When asked about their planning framework, Iraqi officials tend to point unrealistically to their abandoned 1981 development plan, which provided for projects worth $50bn over five years.

"What we could be seeing is too many projects chasing too little finance," a Britisb contractor told a recent conference in London on opportunities in the Gulf. "Short-term needs are using all tbe available credit."

Iraq's immediate priority is already clear: a desire to complete the rehabilitation of the oil industry, and in particular the Gulf export facilities shut down by the war.

In the latter years of the conflict, Baghdad compensated remarkably well for its landlocked status by laying an extensive network of oil pipelines througb Turkey and Saudi Arabia.

Production this year has averaged 2.6m barrels a day, well in excess of Iraq's notional quota within the Organisation of Petroleum Exporting Countries. A further 1.1m b/d will be added by late 1989 through the construction of the IPSA-2 pipeline across Sandi Arabia.

The aim now is to boost exports further by rebuilding the Culf export terminal at Umm Qasr, and thereby to lay claim to the largest possible market share in forthcoming Opec quota negotiations.

Western observers believe that the basic infrastructure on the Gulf is not in bad shape and that Iraq could easily add anotber 1m b/d within six months.

The Iraqis are also pushing ahead with an ambitious power station construction programme, involving Western and East bloc contractors such as Fichtner of West Germany, Britain's Northern Engineering Industries, Energoprojekt of Yugoslavia and the Soviet Union's Technoexport.

Beyond these and other existing or recently-signed commitments, such as the PC-2 petrochemical complex near Baghdad, additional projects will have to compete for funds with what is likely to remain a heavy diet of spending on arms as Iraq seeks to maintain its technological edge over Iran. They will also depend crucially on the price of oil.

Iraq's debt problems are likely to come to a bead again in the next few months. Estimates of what the Iraqis owe to a range of Western, Eastern and Third World creditors vary widely, but the total is certainly no less than $65bn. A good $30bn of that may be loans from Iraq's Culf Arab allies – money which they are unlikely to see again.

But Western creditors, who are owed at least $14bn and will certainly want it back, are finding repayment to be a protracted business. A series of two-year bilateral rescheduling agreements that Baghdad concluded with several Western creditors in 1986 is about to fall due, and some delays on letter of credit payments are already cropping up. Reserves remain low, and the country will probably continue to incur sizeable current account deficits.

Many bankers are convinced that the Iraqi authorities will have to reschedule again and some believe there may eventually be pressure for a multilateral rescheduling deal in either the Paris or London Clubs.

For the moment, Baghdad appears to be sticking to its old tactic of trying to play its creditors off against one another. But the prospect of reconstruction has given the game a new twist, for the Iraqis are making clear that those countries which are most forthcoming with offers of fresh credit will be favoured in tha award of contracts.

The idea, already proposed informally to France and Britain, is that for every dollar the Iraqis repay, the creditor will extend two in new credit. That would imply expansion of the UK's existing credit line to Iraq to £350m next year. A ministerial meeting planned for November during the Baghdad fair will reveal whether this is acceptable to Britain, which until now has enjoyed "favoured creditor" status.

Another issue which may affect Western companies seeking to do business in Iraq arises from the furore over allegations that Baghdad used chemical weapons during a recent campaign of repression against its Kurdish minority. The charges have already led the US Senate to vote for a sweeping package of economic sanctions against Iraq, and a watered-down but still highly critical bill is due to be passed by the House of Representatives this week.

Given the Reagan Administration's opposition to sanctions at this stage, such measures are unlikely to be enacted. But the mere fact that they have been contemplated has caused ripples of concern among Western businessmen, and the furious Iraqi reaction has already had some damaging side-effects.

There are suggestions that the row has prompted the US Export-Import Bank, which had been considering the possible restoration of medium-term export cover for Iraq, to shelve any such plans. It is also understood that at least one big American company working on a petrochemical project in the country has been asked to suspend its operations until the crisis passes.

In such an unpredictable climate, it is not surprising that other Western companies are thinking twice before committing themselves too heavily.

CAUTIONARY TALES

A Campaign of Moral Instruction

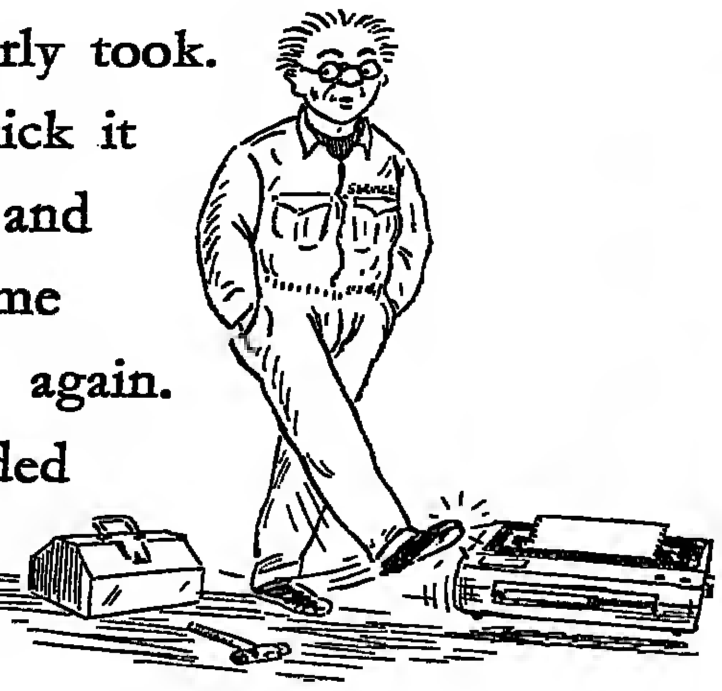
2. Nobby Cook

Who laughingly called himself a computer printer engineer.

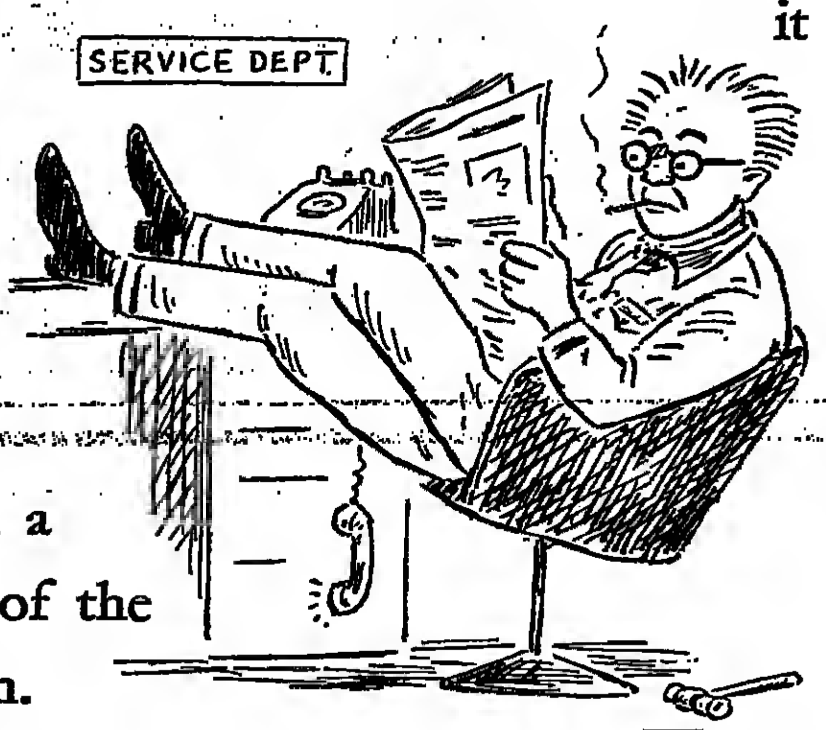
It is the way
of little boys.
From the age of
3 to 10.
To misuse and break
all their toys.
Until Papa
mends them
again. BUT! not
all fathers are
the same. And
some relinquish
this duty.
Fathering
sons with a
portion of the
brain.

That sees others'
possessions as booty.
Such a
child was Nobby Cook.

Now adult,
and
so
full
of disdain.
That
when a
printer was poorly took.



He'd kick it
and
go home
again.
Liberal minded
folk no
doubt. Would say
it was his
father's fault.



But
that is hardly an
excuse. To those
who've seen young
Cook
let loose.
Because on
the matter of after
sales service.
The
likes of Cook
run riot nationally.

Causing dispositions
to err on the
nervous.
Except for
customers of
Mannesmann Tally.

—MORAL—

Before you buy a computer printer REMEMBER.
Nobby Cook is alive and well and thinks all his customers can go to hell.

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UK NEWS

Mitsubishi and NEI link in rail equipment venture

By Nick Garnett

MITSUBISHI, the Japanese conglomerate, yesterday made its first significant move into direct manufacturing for the European railway equipment market by setting up a joint venture company with Newcastle-based Northern Engineering Industries.

The 50-50 joint venture, NEI Mitsubishi Electric Traction, will use NEI factories in Edinburgh and Gateshead to make railway power supply products.

These will include electric motors for such applications as the London Underground and urban light railways as well as auxilliary power supplies for mainline rail coaches.

Most of this equipment will be designed by Mitusbishi but NEI said local content would be at least 60 per cent. The aim was to manufacture for the UK and export to Continental Europe.

Mitsubishi which has supplied rail locomotives to Spain is also one of the bidders for Government-owned British Rail Engineering (Brel) which makes locomotives and rolling stock.

The deal yesterday is a further sign of the growing dependence of NEI on Mitsubishi which looks like taking the *Japanese company into the* European market for power station equipment.

NEI, one of the smaller and weaker European suppliers of power station boilers and turbine generators, has recently signed a number of co-operation deals.

It is starting to manufacture some Mitsubishi designed middle-power electricity transmission switchgear. It also won a turbine generator contract for Hong Kong in a consortium headed by Mitsubishi earlier this year.

Further deals with Mitsubishi now seem certain. After NEI's failure to win any of the turbine orders for the latest round of coal fired power stations in the UK, the industry is expecting NEI to set up a joint venture with the Japanese company for that product.

In power station equipment, NEI is strongest in boilers. Even here though NEI recently sold 35 per cent of its boiler *making business, International* Combustion at Derby to Combustion Engineering of the US.

The Central Electricity Generating Board will announce today the provisional contracts for boilers at the proposed West Burton and Kingsnorth coal fired power stations. NEI is competing with FKI Babcock.

NEI said the latest deal with Mitsubishi was designed to increase NEI's penetration of the rail equipment market. The British company already sells *so-called static* convertors used in coaches for auxilliary power supply.

However, its electric motors, made at NEI Peebles in Edinburgh are used only in industrial applications.

Minister urges Europe to take more flexible line on jobs

By Jimmy Burns, Labour Staff

EUROPE should concentrate on making its labour markets more flexible, not more regulated, once a single European market is created in 1992, Mr John Cope, Employment minister said yesterday.

Speaking on his return from a meeting of European employment ministers in Athens, Mr Cope claimed that "British employers had been frightened" by reports of the European Commission imposing trade union representatives on companies and creating a "Euro-employment" contract for workers.

"All...would sit very uneasily with British practice and indeed with the practice of some of the other countries in the Community," Mr Cope said.

Mr Cope's questioning of the need for more EC social legislation broadly echoed the comments made by Mrs Margaret Thatcher, the Prime Minister, at the College of Europe on Tuesday.

However, the outspoken reiteration of Government policy on the issue is significant as it partly contradicts the views expressed by Mr Jacques Delors, president of the EC, whose speech to the Trades Union Congress two weeks ago was warmly applauded by delegates.

Mr Delors told the TUC that it was impossible to build Europe on deregulation alone. He also said a European statute would be created which would include provision for the participation in companies of workers or their representatives.

In his speech delivered to a meeting ofl businessmeu in Kent, Mr Cope said that it was nonsense to try to impose the pattern of union or worker participation throughout the EC because trade union representation differed widely in each country.

In spite of Mr Delors' remarks, Mr Cope said that the British Government's views on the issue were "getting over to our European colleagues, and to the Commission".

"There is a realisation that social development must not conflict with the internal market and that we must improve competitiveness to create jobs, not stifle it with new areas of regulation," Mr Cope said.

The furthest the minister came to meeting Mr Delors and the TUC on their mutual calls for a "social dimension" to 1992 was in his emphasis on the encouragement of a co-operative approach to training.

Economy on course to exceed Treasury Budget forecasts

By Simon Holberton, Economics Staff

THE extraordinary buoyancy of the British economy was underlined yesterday by official figures which showed that it grew at an annual rate of more than 4 per cent in the three months to June.

The figures, published by the Central Statistical Office, which are the first estimates for growth in the June quarter, present a picture of an economy unable to supply domestically an extremely strong level of consumer and investment demand, and show the resultant overspill of demand into imports.

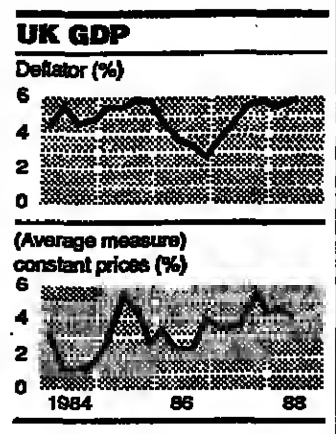
They indicate that company profits were robust but, more worryingly, they also show that domestic inflationary pressures accelerated in the second quarter of the year.

The gross domestic product deflator, the best measure of domestically-generated inflation, was 5.9 per cent higher in the three months to June than in the same period a year earlier. This was up from an annual rate of 5.4 per cent in the March quarter.

The Treasury said yesterday that the figures indicated that the economy was likely to grow faster than it predicted at the time of the Budget in March. It said, however, that the considerable disparity between the various measure of GDP – income, expenditure and output – made interpretation of the figures difficult.

Government analysts said that the average measure of GDP, which puts the second quarter annual growth rate at 4 per cent, was distorted by the expenditure measure which recorded annual growth of only 2.2 per cent in the quarter. They said the figures provided no indication that there was a slow-down occuring in the economy. They said they thought the underlying rate of growth was around 4.5 per cent.

The average measure of GDP rose by 0.5 per cent in the second quarter compared with the first quarter. The CSO, however, regards the output measure of GDP as more a accurate guide to short run movements in the economy: it grew by 1 per cent during the quarter and stood 5.5 per cent higher than in the same period last year.



Mr Peter Lilley, junior Treasury minister, yesterday said in Cyprus, where he is attending a Commonwealth Finance Ministers' meeting, that growth in domestic demand had been too fast over recent months and that this had contributed to a widening in the current account deficit.

"But the higher interest rates that are now in place will help to slow the economy down, and will guard against any serious resurgence of inflation," he said. "Healthy growth should thus continue."

The figures for GDP growth on an expenditure basis show that consumers' spending was 5.5 per cent higher in the second quarter than a year earlier and 0.4 per cent higher than in the first quarter. Investment was 10.5 per cent higher than a year earlier and 3.5 per cent more than in the first quarter.

Domestic demand, a measure which exclndes exports and imports, grew by 1.3 per cent in the second quarter compared with the first and by 5.5 per cent compared with a year earlier. However, after trade is taken into account, GDP as measured by expenditure rose by only 2.2 per cent, indicating a significant leakage of domestic demand into imports.

Spain may testify on tracking IRA group

A SENIOR Spanish police officer is expected to give evidence this week about what role British authorities played in tracking an IRA bomb team to Gibraltar.

Mr Felix Pizzarello, the Gibraltar coroner, has asked Spanish police to give details of the intelligence operation before the three terrorists crossed the border.

It is not known what answer Spanish authorities have given but even if the policeman does not attend it is likely the coroner will allow written statements to be admitted in evidence.

There has been conflicting evidence about the role of Spanish intelligence services in tracking Mairade Farrell, Sean Savage and Danny McCann, just before they crossed into Gibraltar after being sighted in Malaga.

The implication is that if exact times were known, the IRA terrorists could have been arrested as soon as they entered Gibralatar.

All change in the credit card business

David Barchard analyses recent upheavals on the UK consumer credit scene

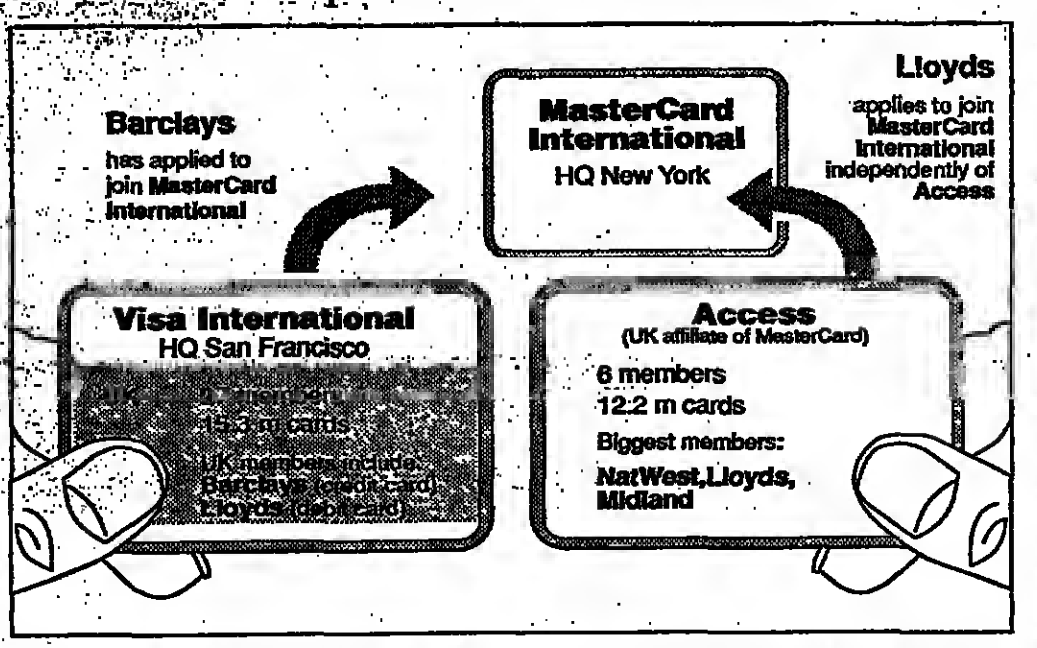
BY CHRISTMAS, according to one senior credit card executive, the whole British credit card industry could look almost unrecognisably different.

For more than a decade, the two main pillars of the British credit card business have been Access and Visa, the latter dominated by Barclaycard.

Access has six members, including three of the big four clearing banks, and 12.2m card holders. Visa has 27 UK members and 15.3m card holders, including about 9.2m with Barclaycards.

The division between the two reflects strategic choices made by the big four banks in the late 1960s and early 1970s.

While Barclaycard and Visa's fortunes have been strongly in the ascendant in recent years, those of Access have flagged and morale has sunk, along with the MasterCard International network to which it is affiliated.



Now it looks as if MasterCard may be bouncing back. The largest UK Visa member, Barclays, has applied to join MasterCard, as have several smaller ones such as Save & Prosper and the Bank of Scotland.

As a result competition in the UK credit card market, especially between the big four clearers, is likely to become very much more intense with most of the major players likely in future to belong to both the Visa and MasterCard networks.

This should be good news for consumers who are now likely to be offered a much wider range of credit cards than in the past. Retailers are likely to be offered a choice of cards by banks competing for their attention.

For the banks it is likely to mean the dawn of a mnch tougher market and the waning of co-operation between the "big three" banks, NatWest, Lloyds and Midlands, in the Joint Credit Card Company which issues Access cards.

The turning point came this summer when the JCC decided to forego its right to stop other non-member UK banks from joining the international MasterCard network.

The bid to increase the scope for MasterCard operations in the UK was a reaction to a stream of new entrants coming into the British credit card industry this year – all of which had joined the Visa network. *Four building societies* joined Visa this year, none joined Access.

"For a start, the JCC is a limited company owned by the banks and we cannot buy into it," explained one building society. "Secondly, the Access design and branding is less attractive to us than that of Visa."

An official from another building society put the reason for joining Visa rather than Access more bluntly: "It was looking as if the Access/Mastercard network might quietly fizzle out in the 1990s."

Similar fears have undoubtedly been felt among some Access bank members.

One catalyst for change was the appearance of a magazine article earlier this year asking the question "Is Access Dying?" "It made a lot of people think carefully," said an Access official.

A further jolt came in the spring when Lloyds Bank, one of the principal members of Access, announced that it was joining Visa and would be issuing a Visa Debit card. This was taken by some to indicate that Lloyds was abandoning ship.

Others pointed out that it had opened up the way to offer Visa and Access network services simultaneously to the retailers.

The US headquarters of MasterCard, is equally conscious of having being outpaced by Visa in glohal markets. This has resulted in MasterCard simplifying its brand design and pruning its own logo on the face of cards to the barest minimum, leaving individnal MasterCard issners to plant their own brand logo on the card.

Meanwhile, exploratory talks appear to have been taking place between most of the major players and the increasing number of innovators in the credit card field, including Save & Prosper and the Bank of Scotland.

Both of these are minor members of Visa, who felt that they would gain from being able to offer a MasterCard product alongside their Visa-cards. Save & Prosper is reported to have been turned down for Access membership recently.

Barclays' decision to apply for MasterCard membership reflects its wish to increase the *number of retailers using its* credit card operations, rather than a desire to increase the number of Barclaycard holders.

Its mainstream business is likely to remain in Visa and Barclaycard. Mr Peter Ellwood, chief executive of Barclaycard, suggested that the new MasterCard products issued by Barclays were likely to be something of a sideshow designed to please various small segments of the market.

Barclays' decision, however, has helped to loosen the ties between the big three in the JCC still further. Though Mr Tony Lee, chief executive of the JCC, stresses that Access is still Britain's leading credit card brand, it has received a severe dent from Lloyds' decision to become an independent MasterCard issuer.

Some card issuers believe that the JCC could eventually shrink into little more than a common processing operation for its members.

NatWest and the Midland are apparently toying with the idea of doing the same. "In the end you might even see the Access brand name being sold to one of the three big banks and the rest becoming MasterCard brands," says one Visa member.

The pace of change in the credit card industry this summer has taken all its players by surprise. Most expect that earnings will continue to come from the basic card operations which have always brought them their profits.

Even so, few predictions are currently being heard about what the industry will look like by Christmas.

UK NEWS

Merger pace accelerates in computing service sector

By Terry Dodsworth

MERGER and acquisition activity among UK computing services companies accelerated sharply in the first six months of this year under the pressure of increasing internationalisation of the industry.

The sterling value of acquisitions jumped by 80 per cent to £530m in the period, according to Broadview Associates, the US-based investment bank specialising in the information technology industry. Individual transactions rose from 34 in the same period last year to 53.

Broadview compiles its figures by tracking mergers among companies involved in computer processing services, software products and consultancy.

Just over half of the deals were in software products and distribution companies, followed by consulting firms, accounting for 36 per cent of activity, with processing and database providers generating the other 14 per cent of the business.

Two main trends are identified in the report. The first is towards larger, international acquisitions as companies move to consolidate their position on a worldwide scale.

US businesses have been under heavy attack in this process, both because of the low value of the dollar and the size of the US market.

Second is the steady diversification of non-computing services companies into the industry. In the six-month period, 44 per cent of puchases made in the UK industry were by computer hardware companies or other businesses not associated with the sector.

Two consortia in running for RAF anti-tank system

By David White, Defence Correspondent

TWO GROUPS are waiting for the British Government to plough funds into two very different solutions to the same problem: the Royal Air Force's need for a new anti-tank weapon.

The full cost of developing and manufacturing whichever system is finally chosen is expected to run into several hundred million pounds, possibly close to £1bn according to one of the contestants. Potential exports could take the programme well beyond that.

The two Anglo-US consortia – GEC-Marconi teamed with Rockwell, and Hunting Engineering teamed with Honeywell, with backup from Diehl of West Germany – expect shortly to receive the first development funds. After whittling down the unknown factors in their projects, one is expected to be selected for completion of development.

Ministry of Defence officials say that no decisions have yet been made about the project. However, it is understood that the proposed new systems would provide "fire-and-forget" weapons suitable for fixed-wing aircraft flying at low level. The main requirement is for the new GR5 version of British Aerospace's Harrier jump-jet but the weapons would also be compatible with the Anglo-West German-Italian Tornado.

The field has narrowed down from an initial total of eight bids, including one by BAe with the Hughes Maverick, a missile in service with the US Air Force, but adapted to meet the low-flying requirement.

Marconi, starting out with low cost as its main aim, also went for an existing US missile. The British group is still smarting from the failure of the Nimrod airborne early warning programme. "We are not going to offer something we are not sure we can do," says Mr David Fletcher, managing director of Marconi Defence Systems.

It opted two years ago for the Hellfire, a lighter and cheaper missile than the Maverick, made by Rockwell and substantially funded by the US Army. Out of Hellfire came Brimstone, Marconi's "millimetre-wave" version.

Hellfire is "semi-active," homing in on targets designated by lasers. This requires someone transmitting the laser beam, from the air or the ground, and is described by Marconi as "very difficult logistically."

The company's answer was to build in a "very intelligent" radar able to look for a target and identify if as a tank. It claims Brimstone will be able to peer through tree cover, find its tank and hit it where it wants to, on the top.

Other aspects of the missile are being improved by Rockwell with US official backing. Hanging in clusters of four under the aircraft's wings, Brimstone would be loadable by two men – important for re-arming Harriers operating from "hides" on a battlefield.

Marconi claims it is extremely versatile, suitable for fitting on helicopters and even trucks, and for use as an anti-helicopter weapon. It sees it finding uses with both the RAF and the British Army, possibly with the Royal Navy, and with the US Army and Marine Corps. Rockwell would assume the role of prime contractor in the US.

The build-up to the contract was a discreet affair until Hunting, breaking with its traditional secretiveness, displayed its proposal at this month's Farnborough Air Show. Its Swaarm system (for Smart Weapon Anti-Armour) is based on the US Sadarm (Sense and Destroy Armor) programme, and would be a successor to the UK company's BL 755 cluster weapon currently in production for the RAF.

Described as a short-range stand-off weapon, capable of "multiple kills per pass," it consists of a winged dispenser containing 16 munitions. Unlike Marconi's project, it is a free-fall weapon. The dispenser is designed to climb after it is launched, rising behind the aircraft, then releasing its munitions. These have a controlled descent, with a parachute sending each one into a decreasing spiral pattern as it searches out a target. In the last phase, a slug is fired at the top of the target tank.

Hunting, which is aiming at production in the early 1990s, says the system can be adapted for higher-level release, and that it has hopes of attracting US interest at a later stage. Swaarm could be fitted on most strike aircraft, it says.

Far from dismissing Hunting's bid, Marconi says it is "supportive" of the idea. The dispenser concept is "before its time," says Mr Ray Mathews, director of Marconi's guided weapons division. "In five or 10 years it will become right. But not now."

Companies 'slow to buy in language expertise'

By Lisa Wood

LESS THAN 40 per cent of British-based companies interviewed in a recent survey indicated that they were considering recruiting foreign language specialists in response to changes proposed for the European Community in 1992.

The survey, carried out by Peat Marwick McLintock, the accountancy group, examined the current state of readiness regarding 1992 among 150 pharmaceutical, defence and aeronautics companies.

The main conclusions of the report are as follows.

- A quarter of all companies interviewed were "not very well aware" of changes that would affect them in 1992.
- Use of the Department of Trade and Industry as a source of information about 1992 was significantly less widespread in the north of England than other regions.
- Over a quarter of all companies interviewed said that so far they had turned to no external source for information and advice about 1992.
- Apart from the Department of Trade and Industry, the most favoured source of information on 1992 was lawyers.
- A third of respondents said they were looking to acquire or form a partnership with another company in the EC.
- Ninety-two per cent of respondents felt they knew well their competitors in continental Europe.

Defence industries have given the most thought to recruiting linguists in anticipation of the opportunities presented by 1992, according to the survey, with pharmaceutical companies reporting the least interest.

Ms Valerie Fairburn, a recruitment executive with Peat Marwick McLintock, said: "More and more companies are expressing an interest in foreign language specialists.

"Unfortunately it is quite difficult to recruit specialists with language skills in the UK. Unless the UK starts producing more language specialists we could very well find ourselves running behind in the number of foreign language specialists available."

Peat Marwick McLintock said it had expected a greater number of British companies to have foreign language specialists in place by now. The accountancy firm says it already has its own comprehensive body of linguists, but will placing more emphasis on foreign language abilities in its recruitment policies.

Guardian to print in Frankfurt

By Haig Simonian in Frankfurt

THE GUARDIAN newspaper is to supplement its UK printing operation by printing in Frankfurt from next Monday. A second UK daily newspaper group may soon follow.

The decision to print in continental Europe as well as in tha UK reflects a growing interest among UK newspapers to improve their foreign distribution and reach what some believe is an untapped source of English-speaking readers in Europe. Frankfurt's advantage is its central location and its excellent air and road links with other European centres.

Earlier this year, The Guardian tested the European market with a 10,000-copy print run in Marseilles timed to coincide with the summer holiday season. That operation will stop on Saturday in favour of Frankfurt, where the paper will print some 14,000 copies nightly on a contract basis.

UK interest in continental European printing may also have increased in view of the plans of Mr Robert Maxwell, the UK publisher, to set up a Paris-based English-language daily newspaper, The European, from next year. Mr Maxwell hopes to sell 1m copies of the paper on the first day.

However, the size of the market for UK papers in western Europe is unclear. The Financial Times, which started printing in Frankfurt in 1979, has steadily increased its print run from around 15,000 copies at the outset to some 75,000, now shared with a second contract printing plant which came on stream at Roubaix, northern France, in July.

Mr Rupert Murdoch's News International had been widely expected to be the next UK organisation to take the plunge. However, plans to print popular titles such as The Sun, which sells heavily among members of the British armed forces in Germany, and The Times in Frankfurt appear to have been ehelved, according to West German distribution sources.

How successful The Guardian will be remains to be seen. Start-np costs for printing abroad are sizeable, and retail newstand sales play a relatively small role for many foreign papers in Europe.

EC steel makers join forces in coke research

By Nick Garnett

HOOGOVENS, the Dutch stealmaker, and Italsider of Italy are to join a research programme set up by British Steel designed to cut coatly coka consumption in blast furnaces.

The two continental European producers will each contribute £1m and some technical personnel to the project, the total cost of which is £6.4m.

British Steel has already made substanial progress on pilot projects for the injection of oxygen and granulated coal directly into blast furnaces.

What is claimed to be the first granulated coal injection system is operated by British Steel at Scunthorpe. It has been extended recently to Ravenscraig, Scotland.

In a trial scheme at Scunthorpe, oxygen has been added to the coal injection system. British Stsel said yesterday that a full-scale production trial was now being set up at one of the two smaller blast furnaces at Teesside.

The use of granulated coal had, it said, helped reduce the coke burn at Scunthorpe by 20 per cent. Adding oxygen will bring total savings of up to 50 per cent, while further economies will be made on costly blast furnace relinings.

ACCOUNTANCY COLUMN

Financial management careers gain in appeal

By Michael Dixon

NEVER before have careers in financial management been so eagerly sought by young people in the UK. One measure of the work's growing appeal is that last year more British youngsters applied for university degree courses in accountancy than for physics courses.

The numbers of applicants for the two subjects in the university sector were respectively 2,658 and 2,628. However, with the addition of applicants for degree courses in polytechnics and higher education colleges, the narrow gap becomes a gulf – 4,680 for accountancy and only 3,041 for physics.

Moreover, there seems to be every prospect that the gulf will widen further this year even though accountancy candidates have a far lower chance of gaining a place on their chosen course. About 26 per cent of them did so in 1987, compared with 33 per cent of the physics applicants.

Whether financial management careers are similarly increasing their appeal elsewhere in the world is much harder to measure. Although in Britain an accountancy qualification is widely regarded as the prime route of entry to financial management, the same does not apply in other countries.

Nevertheless, employment market reports suggest that careers in management, in an overall sense, are in growing vogue among young people in most European countries as well as in the US. It seems a fair bet that the financial branch of the managerial craft is growing in popularity along with the marketing, production and other branches.

In the particular case of the UK, people taking degrees specifically in accountancy make up only a minority of the number who set out to qualify as professional accountants. Most of the entrants to training are graduates in other subjects.

Precisely how many enter is not known, because higher educational institutions are unable to keep track of the movements of a good 10 per cent of their degree winners. However, of the 114,667 bachelor-level graduates produced by the universities, polytechnics and colleges in 1987, 4,776 – 4.2 per cent – are known to have begun training under the chartered institutes, whose members make up about two-thirds of the qualified accountants practising in the UK.

Part of the work's attraction lies in the prospective earnings, but City jobs can offer greater wealth

In addition, a considerable, although untold, number go into professional training as certified, management or public-sector accountants. It seems clear, therefore, that a career in financial management is the aim of upwards of one in every 20 British young people with the academic ability to win a degree.

Part of the reason for the work's appeal must lie in the prospective earnings, an indication of which is given by the accompanying table. It is compiled from a survey of 181 companies in the UK, which was made recently by the pay-consultancy arm of the Noble Lowndes group (telephone 01-686 2466, fax 01-681 1458, address PO Box 144, Norfolk House, Wellesley Road, Croydon CR9 3EB). The companies were of various sizes and in a range of businesses other than finance-sector activities such as banking.

Besides giving data on pay handed over in money, the survey puts a £-a-year value on fringe benefits including company cars, pension entitlements and, indeed, every executive perk awarded at all commonly with the exception of share options.

PAY AND FRINGE BENEFITS OF UK FINANCIAL MANAGEMENT STAFF

Position	Lower quartile Money pay £	Lower quartile Total rewards £	Median Money pay £	Median Total rewards £	Upper quartila Money pay £	Upper quartila Total rewards £	Average Money pay £	Average Total rewards £
Head of finance	32,924	42,853	41,848	53,480	66,610	77,574	54,385	68,362
Treasurer	28,920	35,812	38,000	48,623	54,600	65,354	40,601	51,131
Taxation manager	30,125	36,418	33,786	45,866	44,018	56,627	38,236	48,976
Financial controller	24,000	29,537	28,145	37,117	34,925	44,713	30,463	38,989
Internal auditor	24,604	29,734	28,848	39,391	33,572	44,766	28,059	37,325
Financial accountant	18,656	24,511	23,000	30,150	29,282	36,454	24,697	31,086
Management accountant	16,308	19,242	22,700	29,034	25,251	31,083	21,936	27,694
Credit manager	16,803	20,701	18,700	24,973	21,266	26,945	19,923	24,846
Factory/plant accountant	13,500	14,995	18,250	22,500	19,625	24,355	17,400	21,202
Cost accountant	14,005	14,374	17,330	21,838	20,801	26,810	17,721	21,010

The table gives indicators of both the money pay – basic salary plus incentive and other bonuses – and total rewards including valuation of fringe benefits for people in six financial-management jobs from the head of tha function downwards.

The lower-quartile figures refer to the person a quarter-way up from the bottom of a ranking of all in the same job category, the medians to the one placed mid-way in the ranking and the upper quartile to the person a quarter-way down from the top. But each job's place in the table is determined by its mean total rewards as shown in the final column.

The £68,362 mean for heads of finance compares well with the corresponding averages for the heads of other managerial functions in the 181 companies. The next best paid, in terms of total rewards, were chiefs of sales and marketing with a mean of £55,147. In the ranks below head of function, too, the treasurers' average of £51,131 and the taxation managers' £49,976 were better than the comparable figure for the second-best rewarded role in sales and marketing.

In the more junior ranks, however, financial-management work does not seem to offer any appreciable advantage in rewards over other functions. Unless people seeking a career in the work can win their way to top posts in the organisational pecking order – which is not a realistic expectation for the majority – they are unlikely to gain much of a premium in earnings in return for the bard slog of qualifying as an accountant.

Indeed, anybody ambitious for material wealth above all else would do better to seek a career, not in managing money, but in risking it by going straight from education to work in the City of London. Given the incomparable perks, including subsidised mortgages, widely offered there, together with the stratospheric money pay achievable particularly in sharp-end jobs such as dealing, it is not uncommon for people ranked fairly low to enjoy total rewards that make the top financial managers' average of £68,362 look modest.

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If so, then you'll share in its success. A starting salary up to £30k with a car is available, plus benefits which include a portable pension, life and permanent health insurance and full family medical insurance. If your performance meets expectations, you will be offered participation in the share option scheme.

Is this music to your ears? Then call Fiona Makowski for an informal discussion on (0689) 52142 during office hours or on 01-579 7680 evenings. Alternatively, write to her with your cv at: Suite 3, ECP House, Starts Hill Avenue, Farnborough Way, Orpington, Kent BR6 7TR.

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A progressive major Blue Chip plc is seeking to appoint a key member of its internal review team. An ambitious individual, eager to accelerate your career development, you will assist in leading a high calibre team of professionals involved in projects and investigations throughout the Group.

Assignments will take you into companies worldwide to appraise new and established businesses, to contribute to crucial commercial decisions and to direct Group policy and controls.

Candidates will be qualified accountants in their mid-30's with several years' PQE in a managerial role, gained either in industry or the profession. International experience would be a major advantage. An incisive mind, presence and credibility with executives, combined with technical ability and strong commercial insight will enable you to develop a far reaching and rewarding career.

For a swift response, write today in strictest confidence, enclosing an up-to-date CV to **Pippa Curtis** at Douglas Llambias Associates Limited, 410 Strand, London WC2R 0NS, **ref: 2434.**

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Finance Director

Co. Durham — **c£30,000 + Car + Bonus**

Our client, an internationally recognised market leader in its field, is a privately owned group of companies engaged in the manufacture and world-wide distribution of high quality consumer products. The company is forecasting a period of further growth in turnover and profitability, with a possible flotation in the medium term.

They seek a Finance Director, who will be responsible to the Managing Director for the total finance and data processing functions.

The successful applicant will be expected to contribute to the company's future success by exercising stringent control over the manufacturing cost base, maximising the effective use of financial resources and providing creative commercial input.

Candidates should be qualified accountants, aged 30+, with a strong technical background gained in an industrial environment, together with the entrepreneurial flair and imagination required to make a positive impact on a marketing-orientated business.

Relocation facilities are available where appropriate. Interested applicants should write to **Angela McDermottroe**, quoting ref: NE004, at **Michael Page Finance**, 25 Collingwood Street, Newcastle upon Tyne, NE1 1JE, (Tel: 091-222 0545).

Michael Page Finance
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FINANCE DIRECTOR

THE SHIELD GROUP PLC

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Without doubt, you'll already be fully qualified to ACA or ACCA, with at least 10 years post qualified experience. The chances are, you'll be aged between 35 and 45.

Based in Borehamwood Herts, premises, you'll be responsible for the financial direction of a dynamic USM quoted group and 8 Estate Agency offices.

As financial controller, you'll be comfortable with computerised accounting systems and able to handle both holding company and Agency accounts with consummate ease. You'll also be required to deal with joint ventures, group banking, compliance work, The Stock Exchange, the compilation of the statutory year end audit and the production of the monthly Group balance sheets and management accounts.

You'll find the day-to-day running of the department a satisfying new challenge.

In return, you'll receive a considerable package, of £35,000 per annum including a 2 litre car, four weeks holiday and future share options.

For further details, please write in confidence (enclosing full CV) to The Chairman, The Shield Group plc, Shield House, 1 Penta Court, Station Road, Borehamwood, Herts. WD6 1SL

Financial Controller

Our client is a small but profitable estate and travel agency group. An energetic commercially minded account is sought to update financial systems and reporting directly to the M.O. to develop a senior financial and administrative role within the group. Based W. Middx C £20K + package. Write in confidence to:

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HEAD OF ACCOUNTING SERVICES

An opportunity has arisen for a qualified accountant to fill one of the key accounting positions in BBC Radio. Reporting to the Chief Accountant, you will be responsible for the production of computerised accounting information to meet management, audit and statutory requirements in addition to making payments to both artists and suppliers.

Salary package dependent on experience and qualifications.

Based Central London.

Contact us immediately for application form (quote ref. 2200/F) BBC Corporate Recruitment Services, London W1A 1AA. Tel: 01-927 5799.

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Elizabeth Rowan
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Patrick Williams
ext 3694

Candida Raymond
ext 3351

طبقا من الأصل

مكتبة الأهرام

Financial Controller

N. Home Counties c£32,000+Car

Our client is the £16m turnover UK subsidiary of a substantial international group. The UK operation was established in the early 70s and in recent years has grown strongly with future growth envisaged to continue in excess of 20% per annum. Over 200 people are employed in the UK in both manufacturing, and marketing and distribution activities, and the company has become a highly regarded supplier in its field.

The company wishes to appoint a Financial Controller, who will report to the Chief Executive and will be responsible for a wide range of duties encompassing finance, administration, materials control, EDP, and personnel through a team of 12 people. The role is viewed as being a strong member of the management team with a requirement for a broad commercial involvement in the development of the company.

The successful candidate will be a qualified accountant aged 32-38 with several years' industrial experience. You will be dynamic, highly committed, with an ability for precise, clear thinking, within an informal style of management.

A working knowledge of the French language will be a distinct advantage.

The benefits package will include family medical cover, company pension and a full relocation package where appropriate.

Interested applicants should submit their CV to: Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Windsor, Berkshire SL4 6BW.

MP
Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
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UNITED TECHNOLOGIES EUROPE

United Technologies ranks among the top twenty industrial corporations in the Fortune 500. It is a broad based designer and manufacturer of high technology products, including Pratt & Whitney aircraft engines, Sikorsky helicopters, Carrier air conditioning systems and Otis elevators. European operations have expanded rapidly with over 50 acquisitions and new ventures in the last 6 years. European sales are approaching US$3 billion.

The European Audit Department, based in Brussels, is recognised as a training ground for United Technologies senior financial management of the future. Its members are drawn equally from public practice and from industry or commerce, and the department can demonstrate an excellent track record of internal advancement.

As a result of internal promotions and expansion, there is a further requirement for:

Senior International Auditors

up to US$ 37,000 net

Responsible for leading and participating in financial and operational audits of the European operations. Also responsible for drafting audit findings and presenting such findings to both local and divisional management. Travel content is around 70% with return from assignments to homebase at weekends. Candidates should ideally be Graduate Chartered Accountants or hold an MBA degree, aged 27-32 and have a minimum of 5 years' relevant experience. A second European language would be a distinct advantage.

These positions represent an excellent opportunity for high calibre individuals seeking a first move out of the accounting profession, or alternatively, a second move within industry, to obtain considerable top-level management exposure coupled with excellent career prospects in a top industrial multinational.

Interested applicants are invited to contact Thierry Raickman on Brussels 32/2/347 02 10 at Michael Page International, Avenue Molière 262, 1060 Brussels. Alternatively, contact Warwick Holland on London 44/1/831 0431, or Charles Macleod on Amsterdam 31/10/3210 26 67 76, or Ivan Pacaud on Paris 33/1/42 89 30 03.

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Managing Director

European Operations

£Six figure package

France/Belgium base

The recent acquisition of a substantial Belgium company with several manufacturing units is to be the first of many as this successful UK Group expands its sphere of activities into mainland Europe.

Our client is one of Britain's premier manufacturers of a wide range of FMCG products, and currently has a UK turnover in excess of £150m and the continental activities should add a further £70million.

This position carries bottom line responsibility for the new business and those to be acquired in further planned expansion. It requires an established Managing Director from an appropriate manufacturing background and preferably someone with several years involvement with a European operation.

Applicants over 40, certainly fluent in French, will probably be graduates or professionally qualified. The remuneration package will be generous reflecting the importance of the role.

In view of the urgency of this appointment and the current postal strike, male or female candidates should send a comprehensive c.v. if possible by fax on 061 228 6912 or telephone for an application form to Howgate Sable & *Partners*, Barnett House, 53 Fountain Street, Manchester, M2 2AN. Telephone: 061-228 6919 quoting reference: (F.T.116).

Howgate Sable

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Appointments advertising appears every Wednesday and Thursday.

Business Development

AN ENTREPRENEURIAL ROLE IN FINANCIAL SERVICES

City based £ Highly negotiable

This is an excellent opportunity for ambitious graduates aged 30-35 to play a pivotal role in the development of a well-established service company, where skills in credit analysis and business dealing will lead to early career progression. Our client is part of a renowned international financial group, with exciting plans in hand to expand existing specialist business and identify new areas of interest.

The successful candidate will report to and work closely with the Chief Executive, concentrating on the analysis and investigation of potential clients and new business development, and should ultimately be able to take full responsibility for the day-to-day operation of the London operation. A background in credit and risk assessment gained in banking, financial or legal services is thus imperative, and this must be backed by personal qualities of drive, marketing flair and excellent interpersonal skills at senior level. A second European language will be useful, as the role will involve international travel.

Salary will not prove a limiting factor for dynamic candidates, who are unlikely to be earning under £25,000 at present. Benefits will include fully expensed car, generous performance bonus, mortgage subsidy, BUPA/PHI and non-contributory pension. Relocation expenses will also apply where appropriate, although the office base for this position is flexible, with other provincial opportunities also available.

During the current postal dispute, interested applicants (male or female) should ring 01 439 1113 to register their interest, or fax their CV to us on 01 494 1755, quoting the reference 1429/FT.

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21 Cork Street, London W1X 1HB. Telephone: 01-439 1113.

Shaping the Future – Financial Management in a dynamic business

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Circa £25k

If you can become part of a team controlling expenditure budgets up to £34m we need you in this dynamic industry with a high public profile.

We are looking to appoint two qualified accountants to take charge of the existing finance function at our Letter District Offices at Canterbury and Oxford. You will need to be able to integrate closely with the Management Board yet provide an objective assessment of performance of each of the operating functions. You must also have the ability to manage and motivate the 35 supervisory and clerical staff in the Finance Section.

A significant element of the job is concerned with Management Accounting and you will co-ordinate and critically review multi-million pound expenditure budgets, undertake subsequent performance monitoring and take a leading part in forecasting full-year spend levels. Responsibilities also include payment of wages, credit management, financial accounting and development of local micro-computer systems and the maintenance of control in a fast changing environment.

You should be a qualified accountant with at least three years post-qualification experience and you should have a proven track record of working effectively with senior management in other disciplines.

Starting salary negotiable up to £25,000.

For further details please contact Michelle Wickens on Brighton (0273) 209216/209214.

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FINANCIAL CONTROLLER

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Our Client is a small but rapidly expanding media Group with major clients including Philip Morris, Coca Cola, General Motors and NEC. The Company arranges sponsorship for sporting events and is also involved in televisinn programme production and distribution. The recent explosion in commercial television has created a huge worldwide demand for programming and future prospects are outstanding.

This is a newly created position with Finance Directorship potential. Reporting to the Group Chairman, the Controller will be involved in financial reporting, administration and commercial deal-making. Responsibilities will be assistance in budget preparation and the construction of deals, the review of major contracts and the control, distribution and monitoring of sponsorship funds. Candidates will have an ideal opportunity to widen their range of business skills.

This position will suit qualified Accountants aged 26-35 with a minimum of two years post qualification experience, which will have been gained in a 'hands on' role. Essential qualities are a knowledge of PCs and the ability to communicate concisely – candidates should be able to demonstrate a successful track record to date.

Please apply directly to Richard Carter at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 01-836 3545, *evenings 0344 885911, or fax your details on 01-836 4942.*

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ROBERT HALF

Financial Controller

c. £25,000 p.a. + car

Career opportunity with outstanding growth potential.

HCA United Kingdom Ltd is a wholly-owned subsidiary of Hospital Corporation of America. The UK operations have shown outstanding growth over the last six years. Increasing from 2 Hospitals in 1982, UK facilities now include 12 Hospitals and 7 Nursing Homes. Prospects for *the future are considered excellent.*

We are now seeking an Accountant to oversee the UK accounting function and to undertake some company secretarial duties. The ideal candidate will be a qualified Accountant (ACA, CIMA, or ACCA) and probably be within the age range 27 to 32.

Although experience in healthcare is not essential, the candidate's background should be a consumer or service orientated company. Specific experience gained in managing an accounting department, including general ledger, accounts payable and payroll is essential, as is familiarity with computer systems, generally accepted accounting principles, and working to tight reporting deadlines, preferably with a US company.

Rewards include salary up to c. £25,000, company car, health insurance, pension plan, life assurance, etc.

Please send detailed application to:

Philip Bradshaw
Director, Human Resources
HCA United Kingdom Ltd
49 Wigmore Street
London W1H 9LE

Tel: 01-935 7185
Fax: 01-935 6396

HCA United Kingdom Limited

Financial Director (Designate)

Marketing Services

Central London c.£30,000 + Car + Benefits

Our Client is a well respected and expanding design company with ambitious plans for future growth and development. A well established company, they are currently one of the market leaders in the field of corporate identity and communications. They have identified the need to recruit a Financial Director Designate to control all their financial management functions and to provide quality advice with regards to future growth and strategic development plans.

Reporting directly to the Managing Director, the successful candidate will be responsible for increasing profitability in line with predicted growth, by means of strict budgetary control and accurate management information. Promotion to a Board position should occur within the first year.

Candidates aged between 30-35, will be ambitious and energetic, with a strong commitment to business development. Qualified accountants (ACA/ACMA/ACCA) with at least three years commercial experience, preferably gained in a creative and competitive environment would prove to be the ideal candidates for this challenging position.

Interested candidates, who meet this criteria, should send a detailed curriculum vitae including current salary and a day time telephone number, to Carol Jardine, quoting reference LM084, to Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

ASSISTANT FINANCIAL CONTROLLER

Guildford c£26,000 plus car

OUR CLIENT is an Insurance Group now building a range of progressive Insurance Products and significant increases in volumes on its traditional business base. Ranked about 10th in the UK Insurance Industry, in terms of premium income, the Group's growth is most vigorous in motor, private, house and commercial lines. Additionally, the life assurance, unit trust, investment management and property divisions of the business are experiencing strong growth.

THE ROLE is to develop and manage the accounting function for a major sector of the business. Reporting to the Head of Finance and with a department of about 15 the need to upgrade the accounting procedures and controls and to satisfy the growing need for management information has created this new and important career opportunity.

THE REQUIREMENT is for a qualified Accountant with some experience of the Insurance Industry which may well have been obtained within an accountancy practice. User skills with micro-computers are important.

THE REMUNERATION PACKAGE is flexible around £26,000 with a car and benefits appropriate to this level of appointment within the financial services industry. This appointment is part of the Group's policy of developing the core accounting and financial skills to ensure the continuing successful development of the Group and to provide tomorrow's top management.

Please reply in confidence enclosing a C.V. to the Managing Director or, alternatively, call him on 01-439 1881 or 029667/440 *(out of office hours) for an informal discussion about this appointment.*

Tanstead Associates Ltd
Executive Search and Selection
11 Hills Place, London, W1R 1AG
A member of the Tanstead Professional Group

FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

TO £28,000

We are a well-established, very successful commercial property developer situated in the West End. We are substantially profitable, with a capital base which has doubled in each of the past four years, largely as a result of a creative and very entrepreneurial approach to property.

You will be required to assume total responsibility for the financial, administration and secretarial functions and be closely involved in the planning and control of the future growth of the business.

Ideally, you will be a qualified accountant, with at least four years' post-qualification experience and preferably some small company background. Commercial awareness, familiarity with computerised accounting systems and management reporting skills will also be very useful.

We believe that this position offers an outstanding career opportunity for a confident, capable and ambitious person, with real prospects of promotion to Finance Director in the near future.

Please reply in confidence, enclosing full career details, to the Managing Director, Fleetway Properties Plc, 4th Floor, 79 Knightsbridge, London SW1X 7RA.

Hanson PLC

International Taxation

This is a rare opportunity to join the small head office team of one of Britain's most dynamic and ambitious international corporations.

Hanson PLC is one of the foremost growth companies of the last two decades and is committed to a continuation of this growth both organically and by acquisition in the UK and the USA where half the group's businesses are situated.

An ambitious tax specialist is required to join the existing team to participate in complex international tax planning opportunities.

Hanson offers responsibility, action and the opportunity to make a real personal contribution.

The successful applicant, male or female, will be a chartered accountant, in his or her late twenties with a good academic background and a minimum of 2 years post qualification experience in the tax department of a major accounting firm.

A substantial salary will be paid and generous fringe benefits, including car, are available.

Applications should be made to:
The Financial Director, Hanson PLC
1 Grosvenor Place, London SW1X 7JH

BUSINESS CONSULTANCY

Based Milton Keynes — to £28,500 + Car

A unique opportunity for a Chartered Accountant from a strong public practice background with a flair for management and consultancy work.

As a Consultant with the Institute's highly reputed Practice Advisory Service you will, after suitable induction, undertake assignments for member firms throughout the country, providing practical advice and workable solutions on all aspects of their practice management. This typically involves financing and profitability, structure and planning, marketing and development.

In addition to personally managing a variety of projects you will work with a small high calibre team, contribute to P.A.S.'s development, and liaise with other departments as part of the Institute's role in supporting a progressive public practice sector.

Relocation assistance will be provided.

To progress this opportunity contact John N. Seear, FCA, on 01-628 7060 or forward a full C.V.

Postal problems? Fax 01-920 0547; evening/weekend telephone 0234 720409.

CHARTAC Recruitment Services

Chartac Recruitment Services
The Institute of Chartered Accountants in England and Wales
PO Box 433
Moorgate Place
London EC2P 2BJ

Financial Controller

Holborn — **c £30,000 + Car**

Our client, a leader in advanced information systems and market analysis services has offices throughout North America and Western Europe. The European operations have a turnover of c$17 million, with a sustained record of exceptional growth.

As a result of this growth, our client is now seeking a Financial Controller for the European operations.

Key elements of the position are:
* management of a team of seven people.
* strong budgetary and financial control.
* continued systems development.
* active commercial involvement

You will be a qualified accountant, educated to degree level, aged 30-35, with a commercial outlook gained in a line position.

A strong preference will be given to candidates with exposure to a systems house or software company. Broad tax knowledge, combined with experience of US reporting will also be sought.

Interested applicants should write to **Jon Anderson ACMA, Executive Division**, enclosing a comprehensive C.V. and telephone number at **Michael Page Finance, 39-41 Parker St., London WC2B 5LH quoting ref. M105.**

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
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LEASE ADMINISTRATOR/FINANCIAL CONTROLLER DESIGNATE

c £40,000 — **Holborn**

Exceptional opportunity for ambitious individual to join a fast expanding international finance house. Total responsibility for: leasing administration and financial control including:

- recruitment
- development and implementation of leasing systems to provide invoicing, collection of rental, credit control, VAT and management information
- budgets, financial strategy and product pricing

The company is a Holborn based subsidiary of one of a most prestigious Arab investment banking groups.

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Please telephone me on 491 7232 for discussion.

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Safeway plc, the main trading subsidiary of the Argyll Group, is committed to a major expansion programme which includes the conversion of our large Presto Supermarkets to the Safeway concept. Current sales are in excess of £3.4 billion.

The role of Financial Manager offers an excellent opportunity in this blue-chip plc. You will have wide-ranging responsibility covering cost centre reporting, balance sheet control and involvement with our £250 million store conversion programme. You will be supported by a team of 8 staff.

Prospective applicants should be qualified accountants, aged 25-35 years, with keen commercial awareness and with the ability to communicate at senior management level. Future prospects are excellent.

Write in confidence to Jim White, Personnel Controller, Safeway plc, 6 Millington Road, Hayes, Middlesex UB3 4AY. Or telephone him for an application form on 01-848 8744.

SAFEWAY

Head of Financial Management

Berkshire

This major division of a UK plc, which has a turnover approaching £150m, is the world leader in the design, manufacture and installation of state-of-the-art, high value, electronic equipment for the television and graphic arts industries, as well as many other medical, scientific and military areas.

Highly profitable, the division has exciting expansion plans, and as a result, greater emphasis is being placed on the production of effective and meaningful management information, in order to improve the excellent returns of previous years.

Reporting to the Finance Director, this post will have full responsibility for all manufacturing accounting and MIS functions, providing critical analysis of the operations for the main Board and senior management.

A qualified accountant, aged over 28, you must be commercially astute and have experience of developing computer systems encompassing product costing and inventory control. You will review business plans, prepare budgets and forecasts, continually monitoring progress, requiring the ability to liaise effectively at all levels. You will have the necessary management and negotiating skills to lead a small team and knowledge of international transactions would be a distinct advantage.

The remuneration package will reflect the importance of the position to the organisation and will include a car, other executive benefits and where appropriate, relocation assistance.

To apply, please send cv, indicating current salary, to Fiona McMillan, Ref: 2626/FM/FT.

PA

PA Personnel Services

Executive Recruitment - Human Resource Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
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CORPORATE ACCOUNTANT

City — **To £30,000 + Car**

One of the world's leading Lloyds brokers, this prestigious international company can demonstrate an outstanding record of growth and profitability. Dedicated to consolidating upon and accelerating this exciting phase of expansion, they have recently undergone a period of reorganisation. As a result they seek a qualified accountant at Divisional Director level to tighten up existing systems whilst implementing new financial controls and reporting procedures.

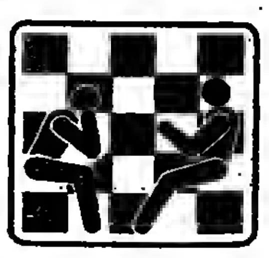
This challenging, high-profile role will also entail the review and upgrading of their computer system and the provision of technical advice on a broad range of issues including acquisitions, treasury and foreign exchange management and accounting standards.

Managing and motivating a significant team, you will enjoy a high degree of autonomy and authority, working closely at a senior level.

In your mid 20's to early 30's, ideally with a background of relevant experience in an insurance or related financial services area, you will receive a highly competitive remuneration package, including a car and a comprehensive range of large company benefits.

Please write, enclosing full CV, quoting Ref: A181, to Jenny Tucker at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Tel: 01-488 4114.

MERVYN HUGHES



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The Liverpool office of a major firm of Chartered Accountants can offer exceptional career progression to a Qualified Accountant with good management and investigation experience.

Their Financial Advisory Group has enjoyed substantial growth over recent years and is now seeking a Senior Accountant who will assume management responsibility for the group and continue the development plans.

Candidates must be qualified Accountants with at least three years' post qualification experience gained in a substantial practice. Areas for attention will include start up and MBO proposals, acquisition and disposal investigations, strategic planning and litigation work.

If you have the high level of commitment necessary, are ambitious and respond well to challenge then this may be the opportunity you have been looking for.

Please write enclosing c.v. to **Brian Marren** at our Manchester office.

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هكذا من الأصل

FINANCIAL CONTOLLER
INVESTMENT TRUSTS

John Govett & Co Limited, an international fund management group, wish to appoint a FINANCIAL CONTROLLER to its investment trust division.

The Financial Controller will be responsible for the financial and management accounting of the division.

Ideally aged 28-35 you are a qualified accountant in the financial services sector. You have experience of investment accounting and reporting in a fully computerised environment. You have strong communication skills with an all round confidence to play a significant role within the investment trust division.

The remuneration package will fully reflect the importance attached to the position and will include car, non-contributory pension scheme, *medical insurance* and *life assurance*.

To apply for the post please send your curriculum vitae and details of your current remuneration to:

Andrew Barnet
John Govett & Co.Limited
Shackleton House
4 Battle Bridge Lane
London SE1 2HR

JOHN GOVETT
PENSIONS LIMITED

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CHIEF FINANCIAL OFFICER

We are one of the major international construction management companies operating in Europe, Middle and Far East and the USA. We are seeking a top financial Manager to a growing international company oversea all aspects of the fiscal functions of the company. The role combines a high degree of professionalism with a progressive and comerical attitude toward business affairs. Involvement will include both internal accounting and construction project audit and reporting and will include application of MIS and controls to all areas of the operation. The successful candidate will have extensive experience in similar situations and include professional credentials appropriate to the position.

INTERNATIONAL EXPERIENCE IS A PREREQUIRED

Good verbal and written communications skills are required. Important characteristics will include a "will do" attitude plus imagination and drive to succeed. The remuneration package will include a salary to £50,000 plus car, pension and private heath care. Letters of interest including a full CV should be sent to PO Box A0997 Financial Times, 10 Cannon Street, London EC4P 4BY.

YOUNG EQUITY FUND-MANAGER

for a German International Investment-Company in Berlin. Excellent English and Spanish or French language required. German is not a necessity. Applications stating experience and personal details should be addressed to:
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Newly Qualified Accountancy Appointments

As in the past the Financial Times proposes to publish a list of those candidates who were successful in the recent PII examinations. This list will appear in our issue of Thursday 29th September under the heading "Newly Qualified Accountancy Appointments". The advertising rate will be £47.00 per single column centimetre. Special positions are available by arrangement at £57.00 per single column centimetre.

Guide to Recruitment Consultants

Entries in the guide will be charged at £70.00, which includes your company name, address and telephone number. Any additional information will be charged at £14.00 per line.

For further information please contact:—
Louise Hunter
Appointments Advertisement Manager
on 01-248 8000 Ext: 3588
or your usual Financial Times Representative

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

GROUP FINANCIAL ACCOUNTANT

AMSTRAD

Brentwood **c£20,000**

Amstrad is a household name in the design, manufacture and distribution of consumer electronics and micro computing products.

In the last four years they have doubled their sales and profits each year, a fact largely due to their management philosophy of operating in small teams of flexible decision makers. Definitely no bureaucracy here.

If this environment appeals to you, and you are seeking your first major commercial appointment we would like to hear from you. It could be the best move you've ever made!

For further information contact:
Accountancy Personnel
2nd Floor,
Bank Chambers,
New Street,
Chelmsford, CM1 1BA
Tel: 0245 262610

SENIOR FINANCIAL MANAGER

ALCAN

Banbury **£Negotiable**

An ideal opportunity to combine responsibility and challenge in a fast growing profitable design and distribution company, Alcan Systems Ltd part of the British Alcan group.

This key role reports to the Managing Director and Divisional Financial Director and offers responsibility for the full finance function together with the future development of the company.

If you can demonstrate a sound background gained in industry and commerce encompassing experience of computerised systems, together with effective inter personal skills, apply now.

For further details contact:
Accountancy Personnel
4a Copthall House,
Station Square,
Coventry, CV1 2PP.
Tel: 0203 257202

INTERNAL AUDIT

Littlewoods

North West **to £21,000+Benefits**

The Littlewoods Organisation PLC is the largest private Group in the U.K. with turnover approaching £2 billion and represents a major force in Home Shopping, the High Street and Financial Services.

The Internal Audit Department offers outstanding career opportunities to young Qualified Accountants in high profile positions encompassing Audit Management and Computer Audit. Progression into a senior line role would be anticipated.

The excellent remuneration package includes large company benefits and a comprehensive relocation scheme where applicable. Littlewoods is an equal opportunities employer with an action programme.

For futher information contact:
Accountancy Personnel
Room G15,
Cotton Exchange,
Old Hall Street,
Liverpool, L3 9JR.
Tel: 051 236 3530

COMPANY ACCOUNTANT

CONFIDENTIAL

SW1 **£25,000 Negotiable**

Our client is a wholly owned subsidiary of a major PLC specialising in the food industry with a T/O of £6 million.

The position of Company Accountant combines a senior financial role with that of a commercial business manager and will hold responsibility for the financial well being and control of the organisation.

An understanding of international trading, foreign exchange and the shipping industry is preferable, through secondary to a commercial entrepreneurial approach.

An excellent salary package enhances this challenging opportunity.

For further information contact:
Accountancy Personnel
6-8 Glen House,
Stag Place,
Victoria SW1E 5AG.
Tel: 01-828 7555

Accountancy Personnel
Placing Accountants First
Hays

A Future Investment

FINANCIAL CONTROLLER
£ negotiable + car + excellent benefits

The 3rd fastest growing franchise in the UK, Lada Cars have sold over 22,000 vehicles to achieve a 1.38% share of a highly competitive market.

The growth and success of this extremely profitable part of Western Motor Holdings plc, has been supported by a small but professional accounts function. To further improve the effectiveness of this vital department we now wish to recruit an enterprising Financial Controller.

Reporting to the Financial Director, you will have responsibilities in the financial accounting function providing management accounts, substantial treasury management and new project development.

These responsibilities present a considerable challenge, demanding credibility based on a relevant qualification, experience, drive and confidence to communicate with financial and general management alike.

The remuneration package reflects the importance the Company place on this new position and includes an excellent negotiable salary and car, a significant profit related bonus scheme, contributory pension scheme, BUPA and relocation expenses.

Initially based in Carnaby, near Bridlington, this position will involve relocation to Wythall, South of Birmingham. If you feel you have the experience and qualities to tackle this challenging position please contact the Company in one of the following ways. Telephone 0262 678011, send your C.V. by fax 0262 400006 or by post to: Alan Tregellas, Lada Cars, Carnaby Industrial Estate, Carnaby, Nr. Bridlington, N. Humberside YO15 3QX.

LADA

A Big Job with Big Rewards

FINANCIAL DIRECTOR

c.£27,500 · Bonus, Car, etc. Rural Gloucestershire

Over the last couple of years my client, a major manufacturer of bulk materials handling systems, has almost doubled their turnover and shown an equally impressive increase in profits.

And, in recognition of his contribution, their present FD has been promoted to a Divisional role within this major plc whose growth has been equally impressive.

This has created an opportunity for a pro-active young accountant who can apply an innovative, free-thinking approach to the finances of a dynamically expanding company that enjoys a high degree of autonomy.

Your background will be engineering and manufacturing where you're involved in large UK and international contracts; so you know the complexities, and pitfalls, of accounting and financing those type of projects.

You've also had experience of companies that have grown quickly—organically, and through acquisition.

But you're still under 45.

As you've gathered by now there's much more to this job than just dealing with the accepted FD tasks.

This is no pure desk job! You'll be heavily involved in world-wide contract negotiations which will take you overseas.

While back at home you'll need to be keeping an eye on potential acquisitions and also the current computer technology needed to maintain the company's competitive edge.

This is a big job in a big industry—with big rewards.

If you feel you've outgrown your present job and are looking for a new challenge with plenty of headroom ring for an application form, or send a detailed cv., quoting ref.0157 to:

**Adrian Wakelin, Wakelin Executive Selection Limited, 136, Salisbury Road, Moseley, Birmingham, B13 8JZ.
Tel: 021-449 4960 (24 hour answering service)**

Or FAX your CV direct to 021-456 1628 (24 hour and weekends)

ADVERTISING • SEARCH • SELECTION
021·449 4960

WAKELIN
EXECUTIVE SELECTION

The Mid Kent Water Company

Management Accountant
Service and Engineering Industry
Mid Kent
c £28,000 Package, Car, Relocation

The Mid Kent Water Company is a statutory water company celebrating its ceotenary year. It obtains and processes water from a combination of underground and surface sources and distributes this to over half a millioo domestic, commercial and industrial consumers throughout 2,056 square kilometres of Keot and Sussex.

The Company is entering e challenging era in its development and wishes to update its commercial and financial control procedures. The Managemeot Accountant is seen as having a key role in this development programme. The successful applicant will be responsible for instituting, and improving operational, edministrative and reveoue cost control procedures. He will assist in tactical budgetary control and strategic corporate planning, capital investment eppraisal and ad hoc investigations. Involvement in the development of computer based management information systems is also envisaged.

Regular contact with all Departmental Heads will be an essential feature of the role in order to raise the level of financial ewareoess and control of the Company in all areas of its operation. Interpersonal and communication skills are important as is the ability to influence change and operato effectively within the team.

Applications will be from qualified Accountants ideally aged 28 to 40 with strong commercial acumeo and experieoce of modern financial planning and control techniques.

Male or female candidates should submit in confidence a comprehensive c.v. or telephooe for a Personal History Form to, *K.A. Carroll, Hoggett Bowers plc. 1/2 Hanover Street, LONDON, W1R 9WB. 01-734 6852, Fax: 01-734 3738, quoting Ref: H25012/FT.*

Hoggett Bowers
Executive Search and Selection Consultants
BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD and WINDSOR
A MEMBER OF BLUE ARROW PLC

SCHERING

Financial Planning Manager
Cambridgeshire

Schering Agrochemicals is a subsidiary of Schering AG, West Germany, an internationally successful group of companies with over 130 subsidiaries employing around 24,000 people worldwide.

Our UK head office in Hauxton near Cambridge, now requires a qualified Accountant to provide a comprehensive financial planning and monitoring service to the Company. In addition to preparing budgets, forecasts and plans, you will analyse alternative strategic issues and make recommendations for profitable development.

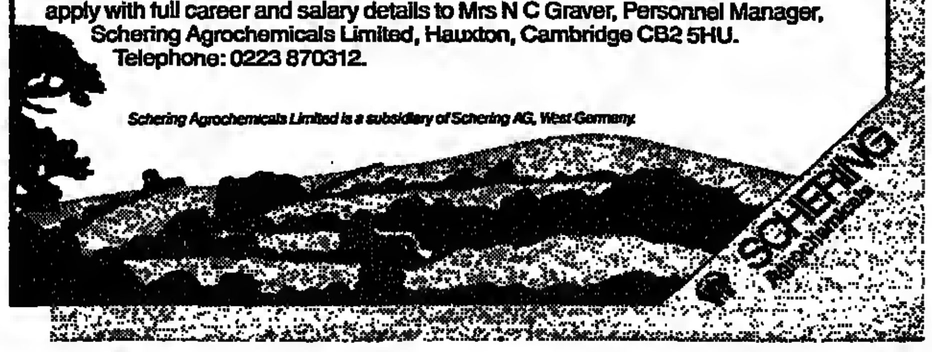
In this developing role, you will be involved in all aspects of Company and Group requirements of financial planning. This is an ideal opportunity for an innovative professional to contribute significantly to the development of a financial strategy for the Company through evaluation of alternative courses and action. Reporting to the Chief Accountant, you will have considerable scope for showing initiative and extensive contact with management at all levels throughout the organisation.

You will be a qualified Accountant with some experience within a major international group. Experience of financial computer applications is essential, together with excellent communication skills and the ability to work on your own initiative.

As part of a major international group, Schering Agrochemicals can offer an excellent salary and benefits package which includes a profit-share scheme, contributory pension, career development prospects and relocation assistance where appropriate.

This position is open to both men and women. Interested applicants should apply with full career and salary details to Mrs N C Graver, Personnel Manager, Schering Agrochemicals Limited, Hauxton, Cambridge CB2 5HU. Telephone: 0223 870312.

Schering Agrochemicals Limited is a subsidiary of Schering AG, West Germany.

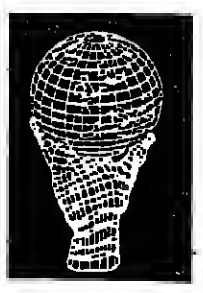


SCHERING Agrochemicals

Chartered Accountant
Head Office, Southampton
C. £27K+CAR+BENEFITS

Skandia Life is the British life assurance company of the Skandia International Group. With assets of more than £3.4 billion, the Group is now one of the sixth largest reassurers in the world.

A rare opportunity has arisen for a qualified Chartered Accountant to work as an assistant to the Chief Accountant. This is an important managerial appointment, involving the preparation of returns to the Department of Trade & Industry, Statutory accounts, VAT returns, and returns to Skandia's Swedish parent company. The successful applicant will also assist with the development of computer systems and liaise with senior management of both Skandia Life and its parent company.



In addition to a salary of c. £27k and a company car, the position carries free life assurance, BUPA membership and contributory pension. Relocation expenses will be paid where necessary.

Applicants should be at least 28 years old, and should write, enclosing a comprehensive CV (including details of current salary) to: **Miss Deena Walker, Skandia Life, PO Box 37, Frobisher House, Nelson Gate, Southampton SO9 7BX. (0703) 726384.**

Skandia Life

GLOBAL INVESTMENT · TECHNOLOGY · SUCCESS

Assistant Financial Controller

City — c£30,000

Our client is an international firm of solicitors. As one of the largest city practices they look to the business community for the majority of their work but also maintain a substantial private client base.

In line with the firm's forward strategy they are seeking to strengthen their finance function with the eppointment of an Assistant Financial Controller.

This high profile position will focus primarily on the management accounting and planning requirements of the business and provides a unique opportunity to play an active part in the continuing development of a successful and dynamic organisation.

Suitable candidates will be Chartered Accountants, aged 27-33, who are able to combine technical excellence with strong inter-personal skills and self-motivation. Experience of partnership accounting would also be a distinct advantage.

In the first instance, interested candidates should contact Ken Brotherston on 01-831 2000 or write enclosing a comprehensive curriculum vitae to

Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

MP

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Commercial Director

Thames Valley — c£27,500+Car

Our client is a small, niche market subsidiary, of a major UK plc, whose success to date reflects the aggressive management and marketing style of the parent group. Following substantial growth the company is now well poised to reap the benefits, from a strong recognition in its market place; its business being the marketing and distribution of specialist retail packaging equipment.

As a result of growth the company has identified the need to strengthen its management team, with the appointment of a Commercial Director. You will take responsibility for all administration, sales systems, inventory management and a "watching brief" over all other business functions.
You will have a strong general management involvement in the development and control of the company, unquestionably as the number two to the MD.

The company places a strong reliance on finance people, and you will therefore be a qualified accountant aged at least 30. To be successful in the role you will also need to be very commercially orientated with a strong desire and capability to become a future general manager. Personal qualities will include strength of character, commitment, self initiative and the ability to manage a rapid change environment.

If this challenging opportunity intrigues you, please send your CV in application to:—

Wayne Thomas, Executive Division, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton Berkshire SL4 6BW

MP

Michael Page Finance
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Group Financial Controller

BIRMINGHAM BASED · PREFERRED AGE: 30-40

Salary Indicator: £36K + Performance Bonus + Share Options + Executive Car

Our client is a rapidly developing British plc, (T/O £23M) with subsidiaries designing end manufacturing engineering based products for markets with high growth potential.

The role, reporting to the Group Menaging Director, is to assist him with the strategic development of the Group.

Some of the subsidiaries are recently acquired end others ere rapidly expanding and undergoing dynamic change. Therefore, one of the tasks is closely monitoring their financial performance as well as providing appropriate guidance end assisting, after e period of consolidation, with the evaluation of potentiel ecquisitions.

The successful candidate will be a qualified accountant with in-depth experience of operating as e management team member in a manufacturing anvironment. Of equal importance is the candidate's personelity which should enable him or her to contribute effectively in an entrepreneurial, results driven organisation.

Interested applicants should send their career resuma to Peter Richards at HRM Associates, 35 Garway Road, London W2 4OF or alternatively fax your CV to him on 01-243 0060.

HRM ASSOCIATES

Director of Finance

(Firm of Solicitors)

Central London — c.£60,000 plus car

Our client is a long established and expanding firm of solicitors which has developed e strong commercial practice while retaining close private client connections. With 27 partners, and over 140 staff, the firm is ideally poised for further expansion from their modern offices with computerised systems. The partners' now require e Director of Finance to enhance future growth.

Reporting to, and working closely with, the Managing Partner, the successful candidate will be responsible for the quality of all financial management information. There will be continual involvement with the partners in developing strategic plans to maximise business potential, and the decision making and management of the firm.

Applications are invited from Chartered Accountants, ideally aged between 35 and 45 who can demonstrate the ability to manage a finance function in a growing professional firm. The position calls for experience at board level, good inter-personal skills, commercial flair, people management expertise and the ebility to use sophisticated computer systems effectively.

The exceptional remuneration package is negotiable, and will include e bonus and non-contributory pension scheme.

Interested candidates should write in complete confidence to Andrew Sales enclosing a comprehensive curriculum vitae including details of current remuneration, and a day time telephone number, quoting reference LM083 et Spicers Executive Selection, 13 Bruton Street, London W1X 7AH. Tel: 01-480 7766. Fax: 01-480 6947.

SPICERS EXECUTIVE SELECTION
A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

The Autometic Test Equipment Division of Schlumberger Technologies markets standard and customised capital equipment and services to major electronic companies throughout the world. Our base in the UK, at which we design and manufacture several of the Division's product lines, is located 10 miles north of Bournemouth.

Schlumberger Technologies

Financial Manager

c£22K + Car

You will have responsibility for ell accounting and financial information aspects of our Ferndown facility – our financial information systems in engineering and manufacturing utilise a broad range of techniques.

Working in tandem with the General Accounting Manager, you will be supported by qualified and part-qualified accounting professionals who form a small, dynamic team.

Aged 25-28 years, you will be a graduate qualified accountant with the obvious potential to move into e Financial Controller role within 2 years. Previous experience in the electronics industry is desirable, but you must have strong interpersonel and managerial skills to meet Schlumberger Technologies' objectives.

Please apply to Campbell Fitch, Director of Personnel.

Schlumberger Technologies
ATE Division
Ferndown Industrial Estate
Wimborne, Dorset, BH21 7PP
Tel: 0202 893535

S. G. Warburg Group plc

INVESTMENT BANKING

NEWLY QUALIFIED ACCOUNTANTS

S. G. Warburg Group is seeking newly qualified accountants of the highest calibre to join its Group Internal Audit Department, to perform systems reviews and special projects worldwide at a supervisory level.

Career prospects are excellent. The positions offer the successful candidates unique and challenging opportunities to work closely with and assist senior management in all aspects of the business of one of the leading international investment banking, securities and asset management groups.

The ability to communicate clearly and easily, as well as to assume responsibility quickly in a stimulating environment, is important.

Applications, enclosing a curriculum vitae, which will be treated in strict confidence, should be sent to:

Mrs A. J. Sprules,
Director,
S. G. Warburg Group Management Ltd,
1 Finsbury Avenue
London EC2M 2PA

BIRD GROUP OF COMPANIES

Chief Accountant

The Bird Group of Companies, one of the largest scrap metal processing groups in the UK, requires a qualified accountant as Chief Accountant for its South Wales operations, based at Chepstow.

The successful applicant will be responsible for the managing of computer based accounting and management information systems, together with associated investigation and reports. Experience within an industrial environment and of computer applications would be an advantage.

A competitive salary and benefits package including company car will be offered to reflect the importance of the post.

Applications, detailing career to date and marked 'Private and Confidential' should be addressed to:

**Mr David Wheeler, Group Financial Director,
Bird Group of Companies Ltd, The Mount,
Welsh Street, Chepstow, Gwent NP6 5LS**

Financial Analysis in Project Finance

c.£25,000 including Benefits

Schroders, e major international investment banking group, is seeking to recruit an executive to join its highly successful International Projects Department, based in London.

The department is concerned with the evaluetion, development and financing of major infrastructural and Industrial projects around the world ranging from bridges and tunnels to power stations end railweys. We also advise the UK and other governments on a wide variety of issues ranging from bid evaluation to privatisation. We advised the British Government on the evaluation of proposals for both the Channel Tunnel and Dartford Bridge.

The successful applicant will play e key rola in these activities, concentrating on the development of pc based financial modelling and analysis to provide the data required to make crucial project decisions. Direct contact with clients will be an important part of the role and will involve travel both in the UK and ebroad.

To be selected you will be e numerate graduate in your 20s, probably with an accountancy quelification or equivalent and two to five years experience of financial analysis with e financial or industrial company or consultancy. Software experience including the use of Lotus 123 is essential.

The substantial benefits package includes mortgage subsidy, non-contributory pension and private medical insurance scheme. Career prospects are excellent.

Please write with full C.V. to: Jo Heigho, Assistant Director-Personnel, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS.

Schroders

FINANCIAL ANALYST

Competitive salary plus car

Tarmac PLC, the holding company of the Building Materials and Construction Group, requires a Financial Analyst to join the Group Planning and Analysis Department based at Hilton Hall near Wolverhampton.

The job, involving analysis of companies, opportunities and competitors plus investment and acquisitions studies, demands a persistent self-starter who can appraise financial, commercial and market information to predict outcomes. Support services are available in data collection/retrieval and computing.

Ideal candidates will be qualified accountants who are computer-wise and in their 30's or early 40's. Other backgrounds in Economics or Business Studies will be considered. Some knowledge of the workings of the City would be an advantage.

This post, open to men and women, provides access to career development opportunities within the successful and expanding Tarmac Group. A competitive remuneration and benefits package is available plue the terms of employment associated with being part of a large successful organisation.

Please apply by contacting:-

**J.H. Birkett, Group Personnel Adviser,
Tarmac PLC, Hilton Hall, Essington, Wolverhampton WV11 2BQ.
Telephone: 0902 307407. Fax: 0902 307408.**

An equal opportunities employer.

Tarmac

Christian Aid
CHURCHES IN ACTION WITH THE WORLD'S POOR

CHRISTIAN AID seeks a HEAD OF FINANCE SECTOR

Applicants for this worthwhile and fulfilling job must be qualified accountants who have held a senior management position. They will need to have demonstrated the ability to lead and motivate a team of keen and able staff.

Salary: within the range £14,500 - £18,600 p.a.

Closing Date: 17 October 1988 Interview Date: 7 November 1988

Apply in writing only for job description and application form, enclosing a 26p sae (A4 size), to the Personnel Officer, Christian Aid, PO Box 100, London SE1 7RT.

WE ARE AN EQUAL OPPORTUNITIES EMPLOYER

FINANCIAL MANAGER

Property/Design/Antique Markets

£25-30K

An outstanding opportunity to administer the finances of a fast-growing creative empire based in Central London. The successful candidate is likely to be a confident, fully-qualified accountant, aged 28-45 with a good working knowledge of property management and construction. *CV's to Mariana at 13 Church Street London NW8 8DT.*

مكتب مدير الأعمال

COMPANY MANAGEMENT ACCOUNTANT

SOUTH WALES **Circa £20K**

B T Consumer Electronics is a wholly owned manufacturing subsidiary of British Telecom and is a market leader in small telecommunications equipment operating in an expanding and competitive commercial environment.

We need a Company Management Accountant who will report to the Financial Director and will be responsible for the management accounting function of an 800+ employee company. You will be supported by a small section and will have ample scope to make a positive contribution to a forward looking business which is determined to maximise the benefits of modern and effective information systems and techniques.

This is a real opportunity for a qualified accountant preferably with several years of industrial experience.

If you are interested in taking up this challenging role please send a full C.V. with present salary to Jayne Broom, Personnel Dept., B T Consumer Electronics Ltd., Cwmcarn, Crosskeys, Newport, Gwent NP1 7ZB.

British Telecom is an equal opportunity employer.

Consumer Electronics

EUROPEAN FINANCIAL CONTROLLER

Central London

DRI Europe, an important and successful part of McGraw Hill Financial Services Company is the world leader in the provision of economic information services. Through the world's largest private collection of data banks and econometric models, it provides quality information, analyses and expert advice to key decision makers and planners in European industry, finance and government.

We now require a disciplined commercially minded and experienced Financial Controller to take overall responsibility for the financial and administrative activities of its five European offices.

The right applicant should be a qualified accountant with senior level financial experience, gained ideally in an international environment.

Apart from good career prospects, the post offers an attractive salary and benefits package, including company car, pension, medical and insurance plans.

Reply with full CV to:-
Dr Jean-Michel Six, Managing Director
DRI Europe Ltd.,
20 Old Queen St.,
London SW1H 9HP

DRI

STILETTO

DIRECTOR OF FINANCE AND ADMINISTRATION

Up to £30,000 plus benefits

Entertainment-based marketing and communications company in London's Holland Park is seeking a highly-motivated person for this newly-created board position. The role will involve working closely with the partners in directing the expansion of this dynamic group in a stimulating environment.

The successful applicant will be a qualified accountant, with a sound basis in the profession and at least 2 years commercial experience, or with a high-quality and relevant commercial background.

Salary will be up to £30,000, depending on age and experience, plus car, BUPA and bonus scheme.

Due to postal strike, fax CV to 01-221-3429 or deliver to Stiletto Ltd., 122 Holland Park Avenue, London W11 4UA. Otherwise, call Paul Watts on 01-727-6762.

Director of Administration

(F.C.A. aged 35/45)

West End ***c. £40,000 + Car***

This is a unique opportunity for a Chartered Accountant to join a small but rapidly expanding Financial Services organisation in partnership with a major Overseas Institution. Growth over the past four years has been meteoric and further expansion is planned. A totally integrated business with offices outside the U.K. it has very strong Trust, Tax and Legal departments. In addition to having total responsibility for all administration the successful applicant will be involved in furthering business opportunities as a member of a small close knit team. Applications are therefore sought from Chartered Accountants with presence, personality and the ability to handle high powered clients. A background which embraces wide commercial skills and record of achievement is mandatory.

Applications in strict confidence to: R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123-4 Newgate Street, London, EC1A 7AA. Tel 01 600 8387

DEPUTY GROUP FINANCIAL CONTROLLER

MOLINS®

INTERNATIONAL PLC
BUCKINGHAMSHIRE

To £23,000 + Car

Molins Plc is a renowned specialist precision engineering and electronics group with an international reputation based on a manufacturing presence in four continents. Export orientated, it is well placed to exploit the challenges offered by changing world markets.

Central to its future is a progressive head office management team and Molins wishes to strengthen its finance function by the appointment of a qualified Accountant who has experience of corporate tax management and is seeking to develop a career in a wider, financial management role.

This is a unique and rewarding role in which you will deputise for the Group Financial Controller in the management of the central finance function; be responsible for the management of the group's taxation exposure and international treasury matters and take the lead in acquisition and financial investigations.

In addition to the competitive salary, Molins Plc offers excellent pension, health and insurance schemes as well as a comprehensive relocation package.

All applications will be dealt with in the strictest confidence.

For further information and an early interview please contact:
Accountancy Personnel
Ashton House
469 Silbury Boulevard
Milton Keynes
MK9 2AH
Tel: 0908 661707
Fax: 0908 676729

Accountancy Personnel
Placing Accountants First
Hays

FINANCIAL CONTROLLER

London **To £30,000 + Car**

Our client is a group of private companies engaged variously in alternative energy projects worldwide, venture capital operations, software development and entertainment activities. The group has access to substantial funds for planned expansion.

The Financial Controller will be responsible for finance and administration for UK operations and for consolidated international reporting including further development of computerised information systems. He/she will also have a strong involvement in commercial decision making.

Candidates should be Chartered Accountants aged 25-30 with good technical, communication and commercial skills and who seek a small entrepreneurial environment allowing considerable autonomy.

Please telephone D. E. Shribman for further information or write to him at the address below.

HUDSON SHRIBMAN
VERNON HOUSE SICILIAN AVENUE LONDON WC1A 2QH TEL: 01-831 2323

Divisional Financial Controller

W. Midlands **c £27,500 plus Executive Car**

This £200M turnover consumer products division of a well known PLC wishes to appoint a Divisional Financial Controller.

Reporting to both the Divisional Managing Director, and the Group Financial Controller, the position will major on the prompt analysis, and advising on the correction where necessary, of operating company performance in addition to the pre-requisite of control over the production of timely, meaningful and accurate financial information. The job involves a close working relationship with the management of both the operating companies and Head Office itself.

Candidates will be qualified, have had line experience, possibly some experience of a group environment and should have a high level of communication ability.

The division has developed rapidly over the last few years and is looking towards further expansion in the future.

Please send a comprehensive CV together with details of salary progression to John Elliott, Director, Overton Management Selection Limited, Monaco House, Bristol Street, Birmingham B5 7AS, (Fax Number 021 622 6971) quoting reference 12/10619.

OVERTON MANAGEMENT SELECTION

Business Development Manager

Midlands **c£25,000 + car**

This Division of a major multi-national Group with an excellent history of growth and profitability are market leaders in the supply of electrical control equipment to world wide industrial, commercial and residential markets. Success is achieved through a philosophy of professionalism in management, tight financial control and an extensive business development programme.

Important to this philosophy is the role of the Business Development Managar who will monitor and input to the Division's commercial activities in terms of corporate strategic planning and business development plus have a direct, active role in supervising tha financial performance of the Division's overseas companies.

Candidates are expected to be educated to degree standard, to have undergone some formal accountancy training and probably, currently be working in a marketing/business development role ideally concerned with new market/product development.

Applicants, male or female, should write including career and salary details quoting reference B3061.

Gary Birney
Mason & Nurse Associates
126 Colmore Row
Birmingham B3 3AP
Tel: 021-236 0066
Fax: 021-200 1637

Offices in London & Birmingham

Mason & Nurse
Selection & Search

MANAGEMENT ACCOUNTS MANAGER

nr Isleworth, Middx **up to £30,000 + car f.e.**

Our client is one of the principal subsidiaries of a major European organisation engaged in the marketing of reprographic materials. The continued development of the UK business is contributing to an impressive increase in market share.

Reporting to the Executive Manager and managing a small team, you will be responsible for the company's management accounts, budgets, performance evaluation, variance analysis and financial reporting.

The successful applicant will be a qualified accountant aged 25-38 with strong communication skills and commercial acumen. Genuine prospects within the group or a local trouble shooting role are available.

Please write or telephone directly to John Silk B A (Hons) quoting ref.JS4274.

Deboo Executive
102 OLD STREET, LONDON EC1Y 9AY. TEL: 01-253 1216 (24 HRS)

Compliance Assistant

City **Range c. £19,500-£21,500**

Commercial Union is one of the lergest British-based internationel insurance companies with a network of offices throughout the UK and over 100 countries oversees. The corporate finance end investment activities based in the City of London ere dealt with by e subsidiery compeny – Commerciel Union Asset Menegement Limited.

C.U.A.M. era now seeking a Complience Assistant who, raporting to the Corporate Funds Director, will be required to:

- assist the Complience Officer in ensuring that C.U.A.M. comply with the requirements of the Financiel Services Act 1986 end the IMRO Rule Book.
- assist in ensuring that C.U.A.M. Rule Book and compliance procedures are edequate.
- assist in monitoring C.U.A.M. activities to ensure compliance and record results.

It is likely that candidetes will heve recently achieved e professionel quelification, e.g. ACCA, ACIS, end will have some relevant experience in a commercial, legal or stockmarket environment.

In return, we can offer an excellent range of benefits including attractive saleries, low cost mortgages, subsidised staff restaurant, low contribution pension scheme, reduced rates on insurance, flexitima, sport and leisure ectivities, etc.

To find out more, write with details including qualifications end experience, to: Geoff Ridgway, Commercial Union Asset Management Ltd., St. Helen's, 1 Undershaft, London EC3P 3DQ, or ring him on 01-283 7500, ext. 2398.

CU ASSURANCE

Finance Director

Electronics Engineering, £27,000 + car, M4 Corridor

Our client, a fast expanding and profitable £70m t/o plc, seeks a Finance Director for a recently acquired £6m t/o business; a market leader in the design and manufacture of sophisticated data acquisition systems for process control and telecommunications. Initial tasks will be to strengthen financial disciplines at every level and to improve contract profitability control systems.

Candidates must be qualified Management Accountants, ideally in the 28-35 age range, with a background in manufacturing industry. Experience in the contract engineering sector will be an advantage. They must be able to demonstrate a record of achievement aa a Financial Controller and now be ready to move up to board level.

Salary is negotiable around the level indicated above and benefits include an executive level car, pension scheme and private health insurance. Candidates who meet this specification should write with full CV and salary details quoting reference AR/155 to: Michael Ward, March Consulting Group, 33 King Street, Manchester M2 6AA.

MARCH
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JAPAN:
ITS ECONOMY,
SOCIETY AND
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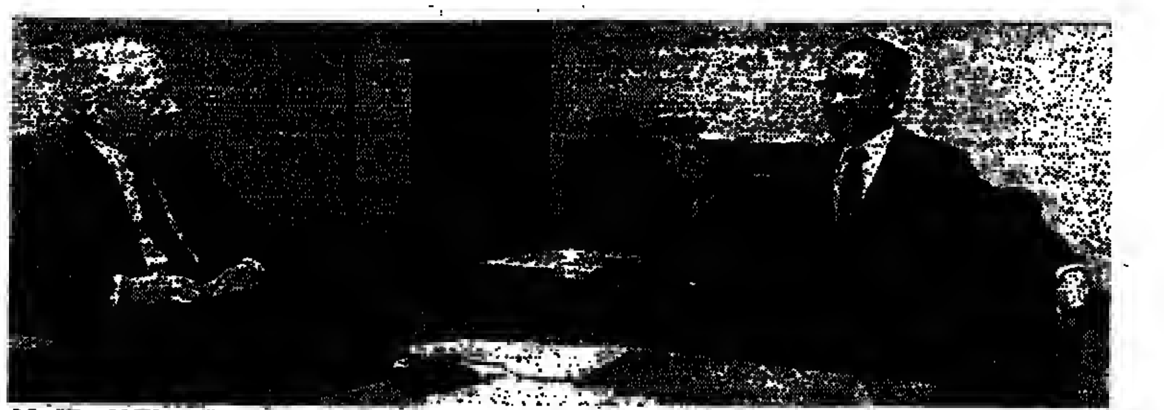


Mr. Hiroshi Watanabe (right), president of Sanwa Bank Limited, talks with Professor James C. Abegglen of Tokyo's Sophia University.

Sanwa Bank is now ranked fifth among world banks in terms of assets. The dream of the bank's new President, Mr. Hiroshi Watanabe, is that the bank will become number one in the world in earnings. President Watanabe seeks to establish Sanwa Bank as a universal bank, with new businesses in securities and information services joining the traditional commercial banking activity to form three pillars for growth to the top position. In his view, the rapid changes in Japan's banking system, the internationalisation of banking, and developments such as Europe's forthcoming market unification provide opportunities for Sanwa Bank given its long history of flexibility and banking innovation.

By Professor James C. Abegglen

Abegglen: Could you tell us about your plans for a new era for Sanwa Bank?

Watanabe: We have a new poster for the bank which says, "The dream of a new era". These words have a double meaning. One is for our customers who have their own dreams. We want to be a bank that helps them fulfill their dreams. Another meaning is that we have our own dreams which we want to realise. We want to fulfill the dreams of our customers as well as our own.

What is Sanwa Bank's dream? Last year, we compiled a three-year medium-term plan which we call the Universal Project-90. We stated that our aim was to become the strongest, most innovative universal bank in the world.

The trend is to internationalise, and we are now able to act on a global basis. But universal banking is something that is still restricted in Japan, unlike in West Germany. People in the U.S. or Europe may understand the term Universal Bank, but here people do not. We explain that the traditional banking business is "commercial banking" and universal banking is "commercial banking plus investment banking." Under "investment banking" we include the securities business as well as mergers and acquisitions.

Abegglen: Is there a possibility for a universal bank to exist in Japan, and in what sort of time frame? Will Japan decide to pull down the barriers between the securities and the banking businesses?

Watanabe: In Japan's case, we do not usually make changes at once, but rather we do so in gradual stages. For example, the issuance of corporate bonds and government bonds has gradually been liberalised. Japanese banks still cannot handle stocks, but can now issue convertible bonds and should be able to deal in bond futures soon.

The Aim to be a Top Universal Bank

Abegglen: So the bank's dream is to gradually become a universal bank. What other dreams does the bank have?

Watanabe: We are aiming to be one of the world's universal banks, and we also want to become a top bank. With the strong yen, one can effectively become one of the top banks in the world, not just in Japan. But our idea is not just to be a top bank in terms of deposits. We want to become the top bank in terms of earnings, and also in terms of total customer assets including bonds, mortgage bonds and gold. Traditional banks gathered money in deposits and gave loans to customers. It is no longer profitable just to stay with traditional banking business.

Abegglen: On the question of the standards set by BIS, what is Sanwa doing to raise its capital ratio?

Watanabe: We have to increase the ratio of our net worth to deposits to the final target of 8 per cent by 1992. Currently, using BIS calculations, Sanwa's capital to risk-weighted assets ratio is 9.5 per cent, but the growth of our assets is more rapid than the growth of our own capital. If we continue with the present structure, clearing the BIS standards will not be easy, so we are trying to increase our capital. Last year we went to Europe to issue convertible bonds for this reason. We will probably have to do so every year, issuing our shares at market prices, and issuing convertible bonds.

International, Securities and Information Areas as New Business

Abegglen: How is Sanwa bank different from other Japanese banks?

Watanabe: We have in the past called the commercial banking business our main business. Two years ago, however, we decided to consider earnings from our international business and the securities business as the new main business. Most other banks regard these new businesses as "sub" business. We have never considered them "sub" business but rather new business, and we have been making it a point to put people, money, and equipment into them. Furthermore, in this Universal Project, we have added the information business to the new business.

I believe that the future competition among banks lies in information. In Japan, we use the term, "the main bank". Banks have been ranked according to the amount of money they loaned to a company, so the one that loaned the most money was the "main bank". Recently, however, major corporations do not need to borrow so much. Since banks do not lend money to these corporations, they are no longer their "main banks", by this old definition.

We did an opinion survey of large companies recently, and asked, "Which banks have been most useful to your company?" We found that the banks that they rated most useful were very different from what we considered the top ranking main banks of most companies. The "useful" banks, according to the survey, were those that were helping the management of the company.

I often meet with the top management of various corporations. In the past year, in my meetings with top executives, there has never been any mention of money. Rather they are concerned about developing new areas of business which could become the second or third pillars of their companies while the main business remains stable. In other words, the top managers want to ensure that if their main business goes downhill, the other pillars will be firmly established. So the top managers want relevant information on what they should choose as their other business pillars, and where they should establish them.

Sanwa Bank as an Aggressive Innovator

In explaining about Sanwa Bank, I would say that it is a bank that tries new things aggressively. We were the first bank to establish a leasing company in Japan, and we were the first bank to establish a credit card company, as well as a factoring company and a housing loan company. Now there are several Japanese banks in the credit card business, but we were already doing it twenty five years ago. So the era of liberalisation is a very good period for Sanwa Bank. Our bank has the structure to aggressively take on new activities.

Abegglen: The key is people. In your bank's case, how would you adjust personnel policies to the new era?

Watanabe: When I became president of the bank, the first thing I said was that we have been employing people who are balanced and with few faults, but that from now, even if people have some faults, if they are very talented in one field, we should recruit them.

For example, one may be really good at one thing, but be terrible as a manager. Such people did not get promoted before. From now on, we will promote them because I believe that we will not be able to get on with our strategy to develop new projects if we have only generalists. But these people do not want to be termed "specialists" because traditionally specialists could not go up the ladder in the bank. They prefer to be called "professionals" because they feel that they would have various opportunities open to them.

Building on Staff from Companies Acquired Abroad

Abegglen: What about abroad? Will Japanese companies put sufficient emphasis on getting good foreign staff abroad? What about Sanwa's case?

Watanabe: We have acquired three big companies abroad—Continental Illinois Leasing Company (now Sanwa Business Credit Corporation), Lloyds Bank California, and more recently Brophy, Gestal, Knight and Co., L.P.

In the case of Continental Illinois Leasing Company, it is considered one of the most successful cases of a takeover in Japan. The president is Mr. Bernard J. McKenna. We have left the business entirely to him, and he has kept his own people. Since it was a very good company, we were one of many companies that wanted to take over Continental Illinois Leasing Company. When I asked Mr. McKenna why they chose Sanwa out of so many companies, he said that Sanwa Bank has the best understanding of the leasing business. Mr. McKenna said that it is difficult to explain the leasing business to people who do not know it. Sanwa understands it very well, being the first bank to establish a leasing company in Japan.

Abegglen: How would you introduce Sanwa Bank's culture to managerial-level people from abroad? In order to make international activities part of your new main business, the local people will inevitably play key roles.

Watanabe: When we acquired the California operations of Lloyds Bank, there were other companies competing with us. But the people of that bank agreed to merge with Sanwa Bank because they believed that we would treat the staff well. Maybe they had heard about SBCC. When a West Coast U.S. bank took over a company recently it fired everyone. Sanwa, on the other hand, was welcomed because people knew that we would not do such things. In fact, we have kept everyone unless they wanted to leave of their own accord. We have 105 branches, and we only have two or three Sanwa Bank branch managers.

Internationalisation of Staff Communications

We have 5,000 non-Japanese employees abroad, and there are only 350 Japanese staff from our Sanwa office working overseas. We depend heavily on our local employees. We have our company magazine that I thought was read by all our bank staff, but then I realised that 5,000 of our people couldn't read it. Therefore we decided to start an in-house magazine in English in January last year.

We are rapidly becoming very international. Exactly a year ago, 20 students from MIT, Harvard and Wellesley came to Japan. We held a one-week seminar for them here in Japan with the Nobel-prize winning Mathematics Professor Heisuke Hironaka who usually lives in the States. Professor Hironaka said that he believed that it was very important for the younger generation in America to understand Japan better. So we decided to invite 20 American students each year for a week, and have them spend some time with Japanese students to exchange views.

Expansion Plans for Unified European Market

Abegglen: You have already spoken about your experiences in the U.S. Europe is preparing for market unification in 1992. What is your strategy with regard to Europe?

Watanabe: We are taking a great deal of interest in the fact that European markets will be unified in 1992, and we are carefully watching which direction it will go.

Our base in Europe has been the London Branch. Besides that we have Sanwa International Ltd., a securities company, and a joint venture bank, the Associated Japanese Bank. We are also upgrading our Paris representative office to a branch and we have offices in Brussels, Milan, Dusseldorf and Madrid.

Abegglen: Are you thinking of acquiring any companies in Europe?

Watanabe: Whether we should resort to M&A to expand our business there is a delicate issue. We have done so in the U.S., so if there is anyone in Europe who would be interested to combine with Sanwa Bank, we would be more than happy to talk with them.

There is a reason why I have to reply cautiously to your question of M&A. In September last year when I went to London, I met the chairman of one of the clearing banks. He told me that Sanwa bank is becoming a strong and big bank. I thought he was talking about deposits, so I replied that it is probably because the yen has become so strong. But he laughed and said, "Not only that, look at the market price of Sanwa's shares." He said with a wink that it was six times—no—nine times that of that bank, and that Sanwa was big enough to take it over quite easily. I then understood what he meant. I joked back him that even if they were to ask me to, I wouldn't dream of buying up an English bank which had too many branches to manage—that clearing bank has about 2,700 branches.

Abegglen: In the next ten years, will foreign financial institutions based in Japan become competitive? Foreign banks probably want reciprocity in business opportunities here since Japanese banks are doing well abroad.

Watanabe: I believe that it is natural that the foreign banks in Japan would demand that. However, I would point out that they can set up subsidiaries in Japan to do trust business, while we cannot do trust business yet. So we have the reverse problem of being discriminated against. The foreign banks are enjoying more liberalisation here than we are. We are not against American or European banks coming here and doing various businesses, but we are asking to be allowed to do here what the American and European banks can do.

Changing Relations with Bank Customers in Japan

Abegglen: But to be quite honest, the foreign banks are not that successful in Japan.

Watanabe: This does not necessarily mean that they will not succeed in the future. Big changes are occurring in Japan. Seen from a Japanese point of view, the foreign banks now have much "drier" — more cut-and-dried — business relationships. The Japanese tend to have more "wet" relationships. Now the relations between corporations and banks are becoming drier in Japan too.

One of the biggest manufacturing companies in Japan, for example, used to have our rival bank as their main bank. But recently, Sanwa has been playing an important role in managing the funds of that company, and we are also supplying them with capital. So the concept of the main bank is changing.

In this case, the new managers of the company feel that it is more important to work with a bank that helps them perform best. You have probably heard of the expression, "drifting away from the banks". Before, that company would work mainly with this rival bank, but now it also goes to Sanwa. Corporations are shifting away from banks in the traditional field of commercial banking. Before, companies would get loans from banks to start a business, but now they find cheaper ways of raising funds by increasing their capital or issuing company debentures.

On the other hand, in the new main businesses, companies are working closer with banks. This is especially true in the field of information. In the new business fields, the relationships between corporations and banks are getting even closer. That is why one cannot grow without becoming a universal bank. Of course, we will still keep our traditional business, where we have a firm historical base, but we believe the real growth is with the new areas of business.

The environment is changing, and concepts are changing. Amidst this environment, Sanwa Bank is trying to establish its own corporate culture.

UK hosiery market

Price is no longer the sole criterion

Alice Rawsthorn explains how fashion has forced the pace of change in a once complacent industry

Time was when women's tights came in brown, brown or brown. Those were the days when the "pile 'em high, sell 'em cheap" supermarkets were the most dynamic force in the hosiery trade and when manufacturers depended on economies of scale to boost profitability.

Those days are over. In recent years fashion has entered the £400m UK hosiery market with a vengeance. Women now want to choose between – and are prepared to pay for – tights or stockings in the shades and styles that suit the fashion of the day.

For the UK manufacturers this has involved a transition from businesses dominated by long runs and standardised products into more flexible production processes, higher design input and a new emphasis on marketing.

The hosiery industry is dominated by a few large companies concentrated in the traditional knitting territory of the East Midlands. Pretty Polly, a subsidiary of the vast BTR group, and Aristoc, one of Courtaulds' textile companies, are the most powerful players.

Initially, the industry was slow to react to the changes in consumer demand. Ever since the supermarkets first surfaced in the early 1970s, the successful manufacturers had been those that had made the most of economies of scale. Given that tights were sold on price, and price alone, there had been no real impetus to invest in design and marketing. Pretty Polly is the only hosiery company to have advertised consistently since the early 1970s.

Nevertheless, the industry has been successful given that, even today, the level of import penetration, at 20 per cent, is far lower than in most areas of textiles.

But in recent years the hosiery market has been transformed by the same increased awareness of design that has metamorphosed so many consumer product sectors in the 1980s.

The growth in the value of hosiery sales has outstripped that in volume for the past five years. Stockings have returned to favour, especially among young women, and now account for 15 per cent of sales.

Hosiery design has become more closely related to mainstream fashion trends. Two years ago lacy tights were popular. Last year's fashion for short skirts created a new trend for sheer and opaque styles, which are still popular this autumn.

Women have been prepared to pay more for hosiery, thereby eroding the old emphasis on price. An important development has been the addition to the standard polyamide fibres of elastane – principally Lycra produced by Du Pont, the US chemicals giant – thereby enhancing the fit and sheen of tights and stockings.

The emphasis on design among consumers has been reflected in the emergence of Sock Shop as a new force in the retail sector. Sock Shop, which was founded five years ago, now sports a chain of 100 shops specialising in socks, tights and stockings.

It is still too small to erode the sales base of Marks and Spencer, Tesco and Sainsbury, the giant retail groups that dominate the hosiery sector. But Sock Shop has had a discernible influence in galvanising the giants into improving the range and design of their hosiery.

Even the supermarkets are abandoning the "pile 'em high" sales strategy in favour of stocking a wider variety of more fashionable and more expensive hosiery.

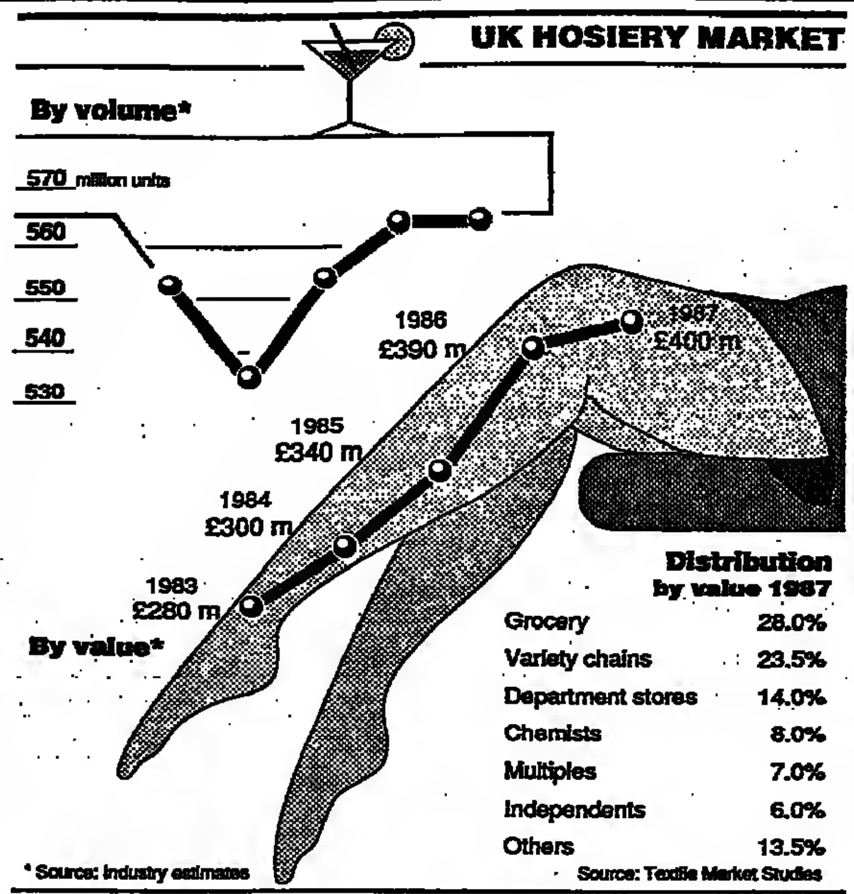
Initially, the demand for "designer hosiery" was met by imports, principally from Italy. Yet five years ago Couture, a private British company, strengthened its presence in the branded sector with the development of its Christian Dior hosiery, licensed from the Paris fashion house.

Similarly, a new company, Focus On Legs, was founded two years ago by a breakaway team from Pretty Polly. It has worked with Emilio Cavallini, a leading Italian hosiery designer, to produce an avant garde collection. Focus is now one of the suppliers to Sock Shop. David Hawkins, joint managing director, says that it is now breaking even on sales of £3m.

Changing demand and increased competition aside, the chief catalyst for change within the UK industry has been the progress in technology – the development of computer-aided design and computerised knitting machines – that has made hosiery production not only more efficient, but more flexible.

In the last four years Aristoc has rationalised its production from four plants to two and has boosted productivity by over 50 per cent. Its new computer-controlled machinery enables it to change patterns within "minutes, rather than hours".

Similarly Pretty Polly has invested in its factories in the Midlands and the Irish Republic. Five years ago there were eight operations involved in the production of commodity tights at its plant in the Republic of Ireland; today there are five. Similarly the time taken to knit the leg of a tight has been reduced from 60 to 45 seconds in the same period.



These advances in technology have enabled the major manufacturers to switch to shorter runs and more complex styles without losing their competitive edge. As a result, they have been able to respond to demand for new designs.

Three years ago Charnos drafted in Bruce Oldfield, one of Britain's most successful fashion designers, to develop a new range of hosiery. The Bruce Oldfield range has enabled Charnos to counter the decline of its established brand by moving into a new, more expensive market.

John Roskalns, marketing director, says that Oldfield has also influenced the design of the Charnos brand and its contract work for multiple retailers at the Adria plant in Northern Ireland.

Aristoc has embarked upon a thorough overhaul of its ranges. Two years ago it rationalised the Aristoc brand to focus on younger, more fashionable designs. Keith White, Aristoc's chairman, says that the strategy succeeded in stemming the brand's decline, but has not yet increased sales.

The company is now concentrating its resources on the supermarket sector, where Kayser, its "commodity" brand has been losing share to own label products. The Kayser brand is being withdrawn and a new supermarket range introduced under the Aristoc name.

Whereas Kayser was sold only in supermarkets, all the Aristoc ranges will be available to other areas of retailing. Aristoc is now able to increase its investment in marketing and a £1m advertising campaign – the first for four years – will be launched, through the WCRS Matthews Marcantonio advertising agency, at the end of this month.

Pretty Polly is also augmenting its marketing activity. Its advertising expenditure has been increased by 50 per cent to £1.8m this year. A new campaign, devised by Bartle Bogle Hegarty, will be unveiled next month. It is also redesigning its packaging. This autumn's strategy will, according to Keith Bond, marketing director, focus on the introduction of an "important new product."

All in all, the hosiery companies have made progress in adapting to changing patterns of demand. There are still problems, however.

Some of the major manufacturers were caught unawares when the lacy styles, that were so fashionable – and so profitable – two years ago, were usurped by sheer and opaque hosiery last year.

Similarly there is a need for further developments in fibres to meet demand for the very sheer hosiery that is now so chic. There is concern in the industry that the very fine fibres used to produce the 7 and 10 denier tights and stockings should be stronger. The hosiery companies are now working with the giant fibre groups, like ICI and Du Pont, on fibre developments.

"For a long time the industry has been reactive, rather than pro-active," says David Hawkins of Focus On Legs. "There is lots of potential in the hosiery market and the manufacturers are changing ... but slowly."

Beverage market simmering

Instant tea, for all its popularity in the US, missed the mark when it was first introduced into the UK in the 1970s. However, Premier Brands is to try again with Typhoo Q, a new product which offers users the added convenience of not having to add milk.

Typhoo Q, on test in the Central TV area, comes ready for the cup with whitener added. Other manufacturers are also waiting in the wings with other new variants, including caffeine-free tea, intended to keep the beverages market on the boil.

Volume sales of tea have been falling by almost 2 per cent a year for most of the 1980s, but the value of the business has been bolstered by the success of single-cup tea bags like Brooke Bond's Tags.

Despite higher prices, the "in-cup" sector of the tea trade is likely to grow 50 per cent in the next five years, according to recent research by Market Assessment. Herbal teas, of increasing interest among major food groups, are also likely to grow by 20 per cent.

Trading up has also helped boost the instant coffee market, where sales of premium-priced freeze-dried brands last year overtook those of powdered products for the first time.

However, according to a report from ERC Statistics, ground coffee is making inroads and accounted for 11.4 per cent of all coffee sales last year compared with less than 7 per cent in 1981.

Instant coffee has been doing less well on the continent. Despite the attractions of convenience, its market share ranges between 20 per cent and 2 per cent in continental countries, Market Assessment says.

■ Analysis of the over-55s – a group of consumers currently much observed by marketeers – shows that they can be segmented into four distinct sub-groups, according to a study from Headland Business Research.

The report assesses potential markets in medications, cosmetics, food, durables, leisure and luxury goods.

The largest sector, dubbed "Patrons" by researcher Paul Lewis, dotes on the family, buys British, shops in department stores where personal service is available, and tend to be miffed at the proliferation of clothing stores catering for younger consumers.

"Neo-Puritans" make up 30 per cent of the group, with the balance made up of active, health-conscious "Lions" and the "When I's". This last segment, Lewis notes, can be identified easily from its tendency to prefix statements with "When I was..."

■ UK sales of salad dressings have grown by 11 per cent a year since 1985, says Market Assessment. Traditional salad cream still accounts for 42 per cent of the market by value, but mayonnaise has been making rapid inroads and now has more than 30 per cent.

Hellmans, from CPC of the US, has 58 per cent of the trade, retailers' own-label products have 32 per cent and Heinz trails with only 5 per cent.

Although the traditional English recipe still accounts for 75 per cent of mustard sales, specialities such as Dijon, tarragon and whole-grain mustard are making headway quite rapidly, and the market is growing by 9 per cent a year.

■ A review of the £2bn UK health and diet foods business by Market Assessment shows low-calorie drinks, cereal bars and artificial sweeteners making most of the running.

Sales of "diet" cola drinks, heavily promoted by Coca-Cola and PepsiCo, have been growing at 29 per cent a year to lead the expansion of the £276m-a-year low-calorie carbonated drinks trade.

Cereal bars have also been given a boost by the recent arrival of Tracker from Mars and increased promotion from other large manufacturers including Quaker, United Biscuits and Allied-Lyons.

Future growth in the sector, the review says, will come from multivitamins, child vitamins, low calorie instant soups, and chewy cereal bars.

■ Britain's largest car hire companies are likely to increase their market share in future as they establish more local branches, the Economist Intelligence Unit says in its latest edition of Retail Business.

The six majors operate 35 per cent of the 175,000 hire vehicles on the roads, and account for 40 per cent of the industry's £440m annual value.

After a sluggish performance in the 1970s, the business has been growing at 4 per cent a year for the past seven years, Retail Business says, and will continue to expand at this rate.

Apart from expansion plans, the majors intend to build the leisure market, which currently accounts for only 31 per cent of sector turnover, and competition will be sharpened by further growth in computer reservations and unlimited mileage deals.

Contacts: Market Assessment, 01-278 9517; ERC Statistics, 01-387 9484; Headland Business Research, 0727 34880; Economist Intelligence Unit 01-493 6711.

■ Thanks are due to Ogilvy & Mather in New York for the latest, but certainly not the last, words in the popular marketing sport of discovering new socio-demographic groups.

It has found two such slices of US society in the over-50s market: Luckies and Savvies.

According to David Ward, O&M's planning director, the Luckies are those who formed their expectations about life during the Depression and the Second World War only to find them exceeded. They like large expensive cars with powered windows, and celebrate their good fortune by eating out more than three times as often as most adults.

The Savvies are 65-plus. Having learned about life from trying to earn a living during the Depression, they know how hard life can be, and remain careful. More than half refuse to use credit cards, and all want value for money.

Almost 40 per cent say they are represented in advertisements as unattractive and incompetent.

Naturally, the Luckies dissociate themselves from these grouches. They feel ignored by most marketing communications, Ward says. However, they may be less lucky in future, since Ward singles them out as prime prospects for properly targeted campaigns.

Christopher Parkes

You could be forgiven for thinking open architecture is a radical new concept just introduced to the computer world.

Computer companies, large and small, who had ignored the idea of nonproprietary standards for decades are suddenly now embracing openness as the new darling of the Information Age.

And they're extolling, with great fanfare, the virtues of their "revolutionary new" open system designs.

At AT&T, we welcome this recent enthusiasm for freedom of choice. Yet we do so secure in the knowledge that in the world of telecommunications our reputation was earned in the pursuit of open communication.

Furthermore, we have advanced the concept in the computer arena for nearly twenty years, since our scientists at AT&T Bell Laboratories originated and developed the now-acclaimed UNIX® operating system.

A system dedicated to bridging the gap between diverse systems – regardless of size, series or manufacturer. A system we've openly licensed to companies throughout the world, including some of our leading competitors.

The UNIX operating system exemplifies the philosophy that prevails in every area of AT&T's business.

It is the epitome of open communication. And that's how we see our job; connecting people to people, machines to machines, systems to systems, unhindered by geographic and technical barriers.

In 1984 AT&T established European headquarters in London to support the UNIX operating system throughout Europe and to encourage the development of applications software. Already more than 170 different computer manufacturers have built machines that use this open system.

But AT&T Unix Europe is just one of our interests. We intend to invest more in many areas of business in Britain, to serve our customers even more effectively.

If you'd like to know more about AT&T, in Britain, write to AT&T, Information Office, Norfolk House, 31 St. James's Square, London SW1Y 4JR.

AT&T

TECHNOLOGY

Clouds refuse to disperse for France's satellite

Paul Betts reports on a programme dogged by controversy

Last weekend, engineers at the French space centre in Kourou, in French Guiana, put the finishing touches to the French TDF-1 direct television broadcasting satellite. Looking on, a French electronics industry official said with some despondency: "Once the wretched thing is 36,000 km away in space, it may finally put an end to all the controversy and mud-slinging which have bedevilled the TDF satellite programme for the past decade."

The programme has been dogged by two controversies, one revolving around the technology, the other around financial viability. Critics say the French have opted for the wrong type of satellite; and everybody knows that they do not yet have the necessary commitments from television operators to make the satellite commercially viable.

The satellite is due to be sent into orbit by the European Ariane rocket on the night of October 27, but arguments over the programme are still raging in Paris. Michel Rocard, the Socialist Prime Minister, has compared the TDF satellite with the Rafale, France's planned new generation fighter aircraft, and claimed that both programmes have become "disaster cases".

Since the project's launch, as part of a Franco-German collaboration in satellite television, it has regularly been described as a new Concorde. The project has already absorbed about FFr 3bn (£280m) of public funds. It has pitted powerful lobbies of French engineers and politicians against each other; especially the French telecommunications authority against Télédiffusion de France (TDF), the rival state broadcasting agency responsible for the television satellite programme.

The telecommunications authority opposed virtually from the start the technological choices for the direct broadcasting satellite, arguing that the high power satellites picked by France and West Germany would be rapidly overtaken by a new generation of less powerful, mixed telecommunications and broadcasting satellites. These smaller devices could provide at least 16 television channels to several European countries, compared with the five high power channels of 230 watts each on the Franco-German programme, even though the high power satellites cover a much broader zone of 400m viewers in Europe and north Africa. They also provide better pictures and stereophonic sound.

The failure last year of the first of two German direct broadcasting satellites, TVSAT-1, was a psychological blow for the French programme. One of the German satellite's solar panels failed to open.

France's programme also involves two satellites. TDF-2 is under construction and should, in theory, be launched next year to provide back-up for TDF-1.

Matters are further complicated because the French authorities have yet to find enough operators prepared to rent the five channels on the French satellite. Only the new French cultural network, La Sept, is booked so far.

Frantic negotiations are taking place to try to secure other French and German channels. Indeed, Rocard has given TDF until the end of this month to secure the necessary channels and television programmes to make the satellite viable before giving the official green light to the launch.

Rocard has also decided to transfer overall charge of the TDF programme to France Télécom, the French telecommunications authority, which is due to take a controlling stake in the TDF broadcasting agency. This will place all the country's satellite programmes under the control of the authority.

At the same time, France Télécom will assume responsibility for completing the financing of the programme, including the remaining costs of TDF-2, if the back-up satellite is launched next year.

Despite the political uncertainties, the backers of TDF-1 continue to be confident that the launch will take place at the end of next month.

During last weekend's visit to the Kourou space centre, TDF officials and representatives of its industrial partners — Aérospatiale, the French state aerospace group, and the Alcatel telecommunications company — underlined the strategic implications of the programme for Europe's broadcasting and consumer electronics sectors.

Jean Georgy, deputy director of TDF's space operations, who is in charge of the TDF-1 programme, said the satellite would provide high quality sound and picture services and implement the new D2-MAC European television standard. This intermediate standard is designed to prepare for the arrival of European high definition television, protecting the interests of the European industry against Japan's efforts to dominate the high definition market.

"Even the most pessimistic estimates suggest that high definition will open up a new market worth FFr 100bn in sales for the consumer electronics industry." He also argued that rival lower power satellites, like the Luxembourg Astra due to be launched this year, could not provide the same quality and range of service as TDF, although it could carry more channels.

Moreover, the TDF lobby claims that the high power satellite systems will reduce the cost of receiving equipment for consumers, since the dishes will require a smaller diameter than those for lower power systems. However, backers of lower power satellites claim that they too can provide reasonably priced equipment.

Marc Lefèbvre, vice president of the French consumer electronics industry association, said European consumer electronics groups would be ready to supply the necessary receiving equipment to consumers by the beginning of next year. The cost to a household of a small dish antenna and indoor equipment for an existing television set would be about FFr 6,000. He claimed this was low enough to prompt consumers to adapt their sets to receive the new D2-MAC programmes.

Indeed, the French consumer electronics industry association has just completed a study of the development of direct satellite broadcasting in Japan, where direct satellite television has been operating for a year. Although the Japanese BS2 satellite beams only one full 24-hour channel and another part-time educational channel, 700,000 households have already subscribed to the service and their number is expected to reach 1m by the end of this year.

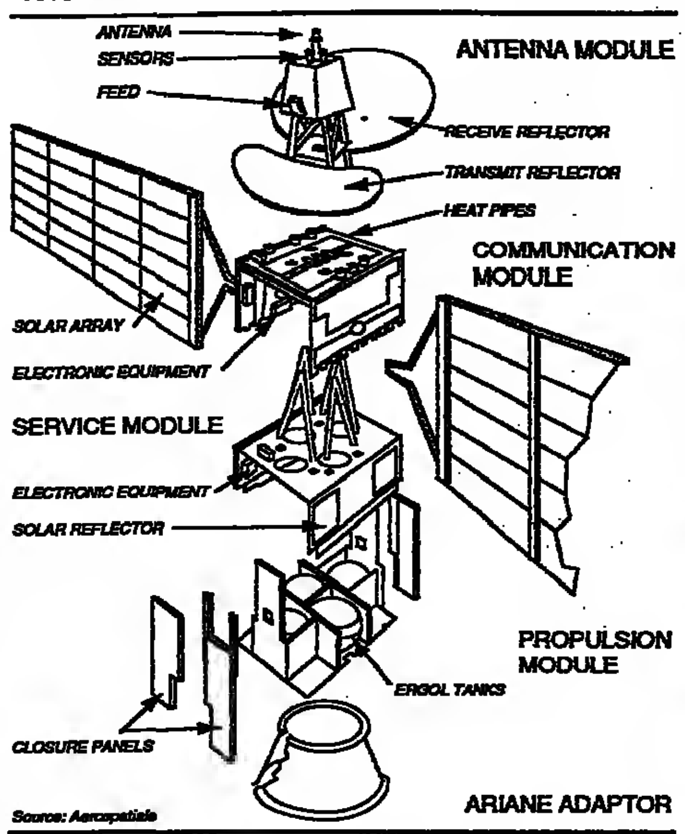
The cost to Japanese consumers of the receiving equipment is in the FFr 5,300 to FFr 7,000 range. "We believe that with at least one good channel, the French satellite will provide the stimulus for the development of this new important consumer electronics market," said Lefèbvre.

However, TDF is hoping to secure bookings for more than just one channel before the satellite launch. French Government officials say that negotiations to secure one or two German channels for the French satellite are advanced, and that discussions are taking place with French television networks and cable operators to fill the remaining ones.

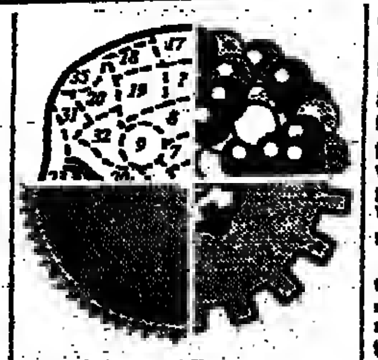
But the potential channel operators are intent on driving a hard bargain with TDF. The French broadcasting agency had at one stage hoped to rent out each of the TDF-1 channels for about FFr 130m a year. The price seems to have already dropped to between FFr 30m and FFr 40m, in line with the cost of renting a channel on existing French telecommunications satellites or the rival lower power Astra. "They may well have to drop the price even further," remarked one French television operator.

The question is whether the French Government will be prepared to launch TDF-1 if it is economically unviable, and whether it will agree to fund the launch of the TDF-2 next year. The odds are that it will go ahead because it is already so far down the road. It may also be loath to risk compromising the interests of the French consumer electronics industry in the emerging battle over high definition television.

The TDF 1 satellite



Source: Aerospatiale



WORTH WATCHING

Edited by Geoffrey Charlish

Audio-visual show on a PC

PHILIPS of Holland, Sony of Japan and Microsoft, the US personal computer (PC) software specialist, have agreed on the joint development of a format for CD-Rom (compact disc read only memory) that will allow audio and graphics signals to be recorded and accessed from a PC.

At the moment, CD-Rom can accommodate only text and numbers. The new format is called CD-Rom XA (XA stands for extended architecture).

Philips says there is strong demand for the creation of further formats, consistent with international standards, especially for multi-media applications on PCs.

In addition to text and data, such applications need sound, graphics, still pictures and, ideally, moving pictures as well.

About 18 months ago, Philips put forward a format called CD-I (compact disc interactive), which embraced pictures and sound. But this implied the use of a special player with a specific operating system.

The new XA format will allow publishers to create discs which can be played on any suitably equipped personal computer, or on any CD-I system.

The concept offers new fields for the information publishing and training industries. Encyclopedias, for example, could offer text, pictures and sound when played on a PC.

Editing the spoken word

THE DICTAPHONE Company is using digital audio recording in its latest dictation system, which it says produces the "flexibility and efficiency that word processing gave to typing."

Called Digital Express, it offers users an instant editing facility for easy alteration, deletion or insertion of material. In addition, others can gain access to the material urgently before it is transcribed by a typist.

Dictated material is stored on computer hard disc with a capacity of up to eight hours. Up to 16 workstations can be connected to the system and eight people can use it simultaneously, at any time of the day or night.

They use a simple key operated terminal, or an ordinary multi-frequency telephone.

The system has many similarities to word processing. For example, when fresh material is inserted, all existing recording downstream of the point selected is moved on to make space for the extra dictation. After a deletion, all the downstream recording is pulled back, producing a seamless join with no silences.

Three models are available with recording times of five, six or eight hours. They can be leased from about £35 a week.

Protecting the ozone layer

JAPANESE company Diakin Industries, of Osaka, which makes air conditioners and chemical products, expects to start marketing a replacement for the chlorofluorocarbon (CFC) gases, used in aerosol spray cans, by the end of the year.

The price will be about Y1,000 (£4) per kilogram and the new production facilities will have a capacity of 1,000 tonnes a year.

The substitute gas, called HCFC-142B, contains hydrogen and decomposes before it reaches the stratosphere, leaving the ozone layer intact and so preserving the ultraviolet filtering properties that protect humans from possible skin cancer.

Diakin claims that it has overcome the problem of the gas's flammability by mixing it with the non-flammable HCFC-22 gas.

CFC-11 and CFC-12 gases in common use are due to be subjected to stringent restrictions in 1989 under a 31-nation treaty.

Tracking yachts round the world

BRITISH Telecom International (BTI) will provide position plotting equipment, with computer graphics, to pinpoint the yachts in the 1989 Whitbread round the world race.

The shore-based system, under development at BT's research laboratories, will use high frequency transmission from the yachts and make graphical information available to the organisers, press and broadcast media.

Clubs, schools and individuals will be able to get updated information about the eight-month race on Prestel and the Telecom Gold electronic mail service.

A device that sees and acts

SIEMENS, the West German electronics group, is offering an automatic reading device for industry that can identify many different kinds of marking, including numbers, characters, symbols and bar codes.

As soon as it recognises the marking, the system generates signals to activate other equipment. For example, it might operate a diversion gate to remove a faulty item from a production line.

Called Videomat, the system uses television cameras, lamps and an electronic unit to analyse the image and send command signals. Using the screen and keyboard, an operator can train the system to recognise specific kinds of symbol.

Vision that needs no cooling

PLESSEY, the UK electronics group, has completed the development of a thermal imaging system that needs no cooling.

Such systems are used mainly by the military to allow personnel to see in the dark or in poor visibility, and to track objects such as aero engines which radiate heat (infra-red). Currently, their sensitive imaging areas have to be cooled to -200 deg C, which is expensive and takes up valuable space.

CONTACTS: Philips: London office, 689 2166. Dictaphone: UK, 0926 451155. BT International: London, 492 2626. Siemens: UK office, 0932 752323. Plessey: UK, 0705 492249.

ARTS

Ann Miller and Mickey Rooney

Sugar Babies

SAVOY THEATRE

No strained politeness need be summoned in welcoming Ann Miller and Mickey Rooney to the London stage. Apologies are reserved for the material, which is little more than a ragbag of old burlesque sketches interspersed with some not very good songs, one or two not bad songs, a quick burst of "On the Sunny Side of the Street," a brilliant juggler called Michael Davis, a tinny sound system and unimaginative direction by Ernest O. Flatt.

Conceived by Ralph Allen and Harry Rigby, *Sugar Babies* opened on Broadway in 1979. It looks like 1909, sounds like 1809 and has gags as old as 1509. There is some minor amusement to be had in getting to the punch line ten minutes before the performers, as in "Take off your clothes," "Where shall I put them doctor," "Over there, on top of mine."

This is a touring burlesque visiting mainland Europe, hence awkward references to Birmingham and Cleethorpes. This relocation is a serious mistake as it robs the occasion *of any sense of authentic exhumation*. And, anyway, Pittsburgh is as funny as Cleethorpes to those who don't live there. Whereas Sondheim and James Goldman used the Follies to engineer a new sort of contemporary musical, Allen and Rigby (the first cobbling together the sketches) merely pick up a corpse and try to pump it back to life. The result is as bad as *Ziegfeld* but with the advantage of two genuine star leads.

They don't write songs, or jokes, like that any more. Thank God. And on this evidence, our own music hall and vaudeville were a good deal better. One embarrassing schoolroom sketch is worse than anything you will see next pantomime season, and the sight of Ann Miller vainly trying to sing opera while the cast run on and off with distracting props and rubber balloons, Mickey Rooney blithely bashing a piece of wood, is like an old Crazy Gang item *without real zest or zaniness*.

Peter Reeves sidles on to sing like that chap on Radio 2's *Friday Night is Music Night*, linking now a turquoise fan dance among the swans, now to the statuesque Rhonda Burchmore as a pigeon-fancying ecdysiast spattered, last night, with good luck droppings. Well, it was the opening. Those birds sure opened on her okay. Rhonda and the rest of the Sugar Babies do a *couple* of Jimmy McHugh songs as cinema usherettes, keeping themselves available while wedging their torches between their legs.

The vulgarity of such numbers is fine. And most of the punch lines have to do with sexual parts or girls of dubious virtue. The dance of the virgins will be performed "strictly from memory." A murderous widow (Miss Miller) is told by Rooney's graspingly lascivious judge that her husband should have been "bloody well hung." "He was" comes the wistful reply.

Most of the songs are to music by Jimmy McHugh, and the best medley and the show's highlight comes when Rooney and Miller hit their stride together having vamped till ready all evening. Rooney retains all his flair and pugnacity, sucking in air with a lizard-like tongue as if it tastes of champagne. There is a coarse brutality to his charm, but it's charm alright.

You know Miss Miller means business the minute she steps out of her skin as she feels a song coming on, tapping and twirling with a virtuosity that belies her years and bespeaks her grace. She arrives on a push bike and departs as the Statue of Liberty (the finale is McHugh's "You Can't Blame Your Mother Country," but I can and I do, and I curse George M Cohan as well). In between she taps up a storm, well, a fair gust, and also makes eloquent with McHugh's "Don't Blame Me" to Dorothy Fields's fine lyric.

Michael Coveney

Boito's 'Mefistofele' in Geneva and Zurich

For many critics, one *Mefistofele* is one too many. The catalogue of caustic comments that have been made over the years about Boito's libretto and music makes formidable reading – but, as Andrew Porter commented when reviewing the Philadelphia Opera's production earlier this year, people go on doing it and people go on enjoying it. Chaliapin enjoyed singing the title role, which is a fine vehicle *for a dramatic bass*, and Toscanini enjoyed conducting it.

The opera is still occasionally staged in Italy, but it is some time since it has been tackled anywhere else of note in Europe. Now along comes not just one new production, but two almost next door to each other, premiered on consecutive evenings. The contrasts provided by Geneva and Zurich were instructive. Neither was a wasted evening. But unlike Zurich, Geneva proved that *there are ways of disguising the* work's feebleness and presenting it as a rich and entertaining spectacle.

The Geneva production by the young Canadian producer-designer team of Robert Carsen and Michael Levine is another feather in the cap of the director of the Grand Theatre, Hugues Gall, who has built an impressive record in recent years for quality programming and casting. Carsen and Levine had the inspired idea of placing the work in theatrical parentheses, as if to show they don't take Boito too *seriously*. Within this framework they punched home the character and sense of each scene with deadly accuracy, all the while highlighting the fine dividing line between sacred and profane, beauty and grotesquerie, illusion and reality.

The prologue and epilogue were set in a brilliantly-lit baroque theatre behind a gauze of drifting cloud, peopled with masked choirs that had been beefed up by an additional chorus from Sofia. The fair in Act I was a gaudy, *bawdy bustle of activity*. The vigorously choreographed Act II revelries took place in a brothel, with Mefistofele's aria "Ecco il mondo" addressed to a balloon, which he neatly popped at the end. The encounters with Margherita were set on a raised turntable centre-stage, alternately verdant and barren, while the scene from classical Greece and the final denouement were treated as deliberate kitsch. Rather than belittling the opera, the production ended up lending its remarkable musical *and dramatic ebullience*.

The music was in good hands: aided by the enlarged chorus and an on-form Suisse Romande Orchestra, Giuseppe Patanè made the score sound like more than just a handful of pretty moments. Act III, in particular, was beautifully poised and sustained, and the large choruses were majestic and finally-coloured – unlike Zurich, where the threadbare sound revealed the opera's big tune in all its sweet, vulgar religiosity.

The Geneva *cast also had the edge* over Zurich. Samuel Ramey, who sang a fine Philip in Geneva's *Don Carlo* at the end of last season, is no longer the weak stage personality he used to be. Perhaps he is still not a completely natural actor – and he does not possess the ideally big, black, booming voice for the title role. But he gave a performance of great conviction and finesse: he has an imposing figure (especially in flame red tailcoat), an incisive, agile and fresh voice, and his diction is perfect. The soprano was Diana Soviero, *full of inner* expressiveness. Faust was Alberto Cupido, who looked suitably wimpish in his white tails but insisted on singing flat.

The Zurich production was to have been built around Simon Estes, who has enjoyed many triumphs in his adopted home over the past ten years. But Estes abruptly cut his links with the Zurich Opera House earlier this year, after a dispute with the *management over its handling of a charity* concert. So the *title role in Mefistofele* passed to Alfred Muff, who has a biting Germanic base-baritone voice, but is really better suited to roles requiring less subtlety, like Barak or Mandryka. Dennis O'Neill's Faust was competent. The decision to cast Yoko Watanabe as both Margherita and Elena did nothing to rescue Faust's greek idyll from its overwhelming tawdriness. The well-drilled orchestra was conducted by Alexander Sander.

The staging by Hans-Peter Lehmann was too "deutsch," too primitive and too innocent. Ekkehard Grubler's set was dominated by a giant overhang of organ pipes and the outriggings of an ancient globe, a metaphor for Faust's earthly confines and Margherita's dementia. The black leather costumes and steel platforms were out of place. There was little atmosphere or variety. Perhaps Zurich showed *Mefistofele* in its true colours, but Geneva proved that even the devil is not beyond redemption.

Andrew Clark

Youthful paintings of a print-maker

Sylvia Melland is known as a print-maker, but in the 1930s after a series of visits abroad she produced a small body of paintings, now on show at the Boundary Gallery (until October 8). The paintings betray a freshness and youthful eagerness undimmed by the dust of the attic where they have been stored for years. These are collectors items for those nostalgic for the potency (and innocence) of early modernism.

Although Sylvia Melland had studied drawing within the strictly academic confines of the Manchester School of Art and the Byam Shaw art school in London, she felt herself untutored in the techniques of painting. The unfamiliar and exotic landscape of Natal in South Africa therefore spurred her on to a series of bold and colourful landscapes, Gauguin in spirit, but assured and immediate.

This approach persisted in the paintings done on her return to bohemian Chelsea, although there is a more wintry palette in the large still-lifes of this period and the townscapes, "The White House (Glebe Place)" and "Ladbroke Square." These are seen from a window, a typically Matisse device which Melland has often used. Perhaps a view of the world from the safety of a window is also a very feminine strategy, which allows for a projection of intimacy on to the unfamiliar.

A stay in Boulogne in 1933 produced a series of charming waterside fairground and street scenes which owe something to Utrillo, but are also more naive and more intimate. A number of works of this period are painted on board, and the consequent dryness of paint and dimming of colour adds to the mood of romantic nostalgia, the evocation of a lost age.

The most assured work of this period is the portrait of "Madame Boivin" of 1933. With hooded eyes, and a sly and mobile face, Madame Boivin sits gossiping, with her beringed fingers folded in her aproned lap. (Madame Boivin, for all her likeness to a seaside concierge, was a resident English piano-teacher!) The face is planar and the volumetric body is modelled with rhythmic brush strokes reminiscent of Derain and early cubism.

In 1934 Sylvia Melland was living in Paris, and the two views of her studio on Rue Daguerre are the most adventurous works on the exhibition. Cubism has now had an effect in the free arrangement of planes and surfaces, and the paint is rich and thick. Through the dark passage of the "Entrance to Studios, Rue Daguerre," the Parisian street outside glows with heat and light.

In a review of an exhibition in the 1935 showing works she had done in Stockholm, the Manchester Guardian critic had accused Sylvia Melland of being "pronouncedly Latinised." With this linguistic warning it was not surprising that in 1937 she was prevailed upon by Graham Bell, whom she had met in South Africa, to study at the Slade. As she herself ruefully remarks, she was taught how to paint but she lost the joy of painting.

Under the strict regime of William Coldstream and influence of fellow-students Lawrence Gowing, Thelma Hulbert and Adrian Stokes, she subdued her lively palette and brush-work in favour of the measure strokes, grey tones and realist subject matter of the Euston Road school. The works of this period are mainly interesting because of the sidelight the cast on the militant Englishness of the Euston Road school, determinedly combating the louche influence of Paris.

Deanna Petherbridge

Madame Boivin, 1933 by Sylvia Melland

Alan Hunter and Ruth Mitchell

Rutherford and Son

NEW END, HAMPSTEAD

Successfully produced at the Court in January 1912, K.G. Sowerby's family drama transferred to the Little in March and later enjoyed at least two runs in America. The author was revealed as a young woman with first-hand knowledge of the industrial background for this clash of wills in a grim northern landscape. She lived on until 1970 apparently producing no more major work. If this beautifully written, tautly produced and finely acted evening of gripping theatre is anything to go by, the loss to the British stage was immeasurable.

The offstage glassworks may dominate the Rutherford household but the wind that chills the master's sombre home ("Not a scrap of love in the whole house," his despised daughter-in-law remarks) comes from the moors whose nature is as bleakly unyielding as old John Rutherford himself.

In the competitive and secretive world of glassmaking (as the programme reminds us, individual families patented and jealously guarded their own formulae) the company looms over the town like Moloch, as John junior puts it, devouring eager human sacrifices. The firm now faces slump and ruin. Old Rutherford despises his impulsive, inconsistent heir – even sent to Harrow to make a gentleman of him – and brutally dismisses his second son as "no good for my purposes" when the latter's religious vocation leads him to an ineffectual curacy among the mocking workers.

His daughter Janet, a wan 36, almost visibly pines away, the kindness turning sour in her. She finds solace with Martin, a foreman at the works who also secretly helps young John to perfect a new alloy that could make their fortune. The young man triumphantly confronts his father with this discovery and demands payment; but Moloch must be fed, and the patriarch talks the workman into revealing the formula for the sake of the firm – *ad maiorem gloriam Rutherfordi*.

The flavour is of domesticated Granville-Barker with a *prescient dash of D.H. Lawrence's* theatre work, a less hollow Galsworthy. The old man is a monstrous creation, high priest of the family name and prepared to destroy his children to preserve the company. His presence is everywhere, haunting the ruined relationship of Janet and the tricked and dismissed Martin to whom he will always be master.

It is not over-fanciful to see a giant shadow cast from even further north fall over this dour household. There is something Ibsenesque about the old man, though Ewan Hooper in Wyn Jones' compact production makes him into a very English domestic tyrant, terse and craggy-jawed, as befits the New End's intimate acting space. In the final scene the daughter-in-law from the soft south strikes a bargain with the deserted patriarch over his baby grandson: she shall have him for ten years after which he will be handed over to his grandfather ("to train up for Rutherford's," he agrees in quiet triumph) in return for keep and education. The scene has the unnerving, clear-eyed lucidity of Nora's great manifesto in *The Doll's House* – ironically, since Ibsen's heroine uses her moral self-knowledge to leave home, while Githa Sowerby's Mary deliberately assumes the bondage of the departed Janet: needlework in the window-seat in the dying afternoon, watching the glowing coals, locking up each night and handing the keys to her jailer . . .

Penny Brown's design catches the oppressiveness of this obsessively materialistic household, awkwardly stranded between classes, wealthy but not quite acceptable to the squirearchy. The writing is strong, confident and fluent throughout, especially in such confrontations as between the old man and his love-starved daughter. Particularly fine acting comes from Ian Reddington, passionate and resentful as the elder son, Alan Hunter as Martin whose bewildered loyalties are instrumental in betrayal, and Ruth Mitchell whose Janet is a beautiful study in smouldering bitterness, sudden hope and final desperation. The play is presented by Southern Lights, a company that works mainly at New End and at the Theatre Museum. If this is typical of *their work they deserve* bigger and fuller houses to play in.

Martin Hoyle

ARTS GUIDE

September 16-22

EXHIBITIONS

Paris

Carte Musées et Monuments, sold in museums and Metro stations, enables visitors to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles Palace.

Centre Georges Pompidou. The Fifties, taking over Beaubourg for three months from the ground floor upwards. (42.77.12.33). Closed Tue. Ends Oct 17.

Picasso Museum. The 17th century Hotel Sale, sumptuously restored, houses the world's largest collection of Picasso's work, completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired, Renoir, Cézanne, Douanier and Rousseau. 5 Rue Thorgny (42.71.24.21). Closed Tuesdays.

Munich

Haus der Kunst, 60 Prinzregentstr. An important exhibition, centred on the city of Munich, which provides a broad view of the West German cultural scene. Twenty-two works by the Austrian painter and sculptor, Alfred Hrdlicka, form the highlight of the show. Ends Sept 11.

Schleswig

Schleswig Holstein Landsmuseum. 1,000 years of Russian Art. This exhibition celebrates the 1,000th anniversary of the Russian Orthodox Church, taking as its theme the new alliance between church and state. Ends Oct 24.

Vienna

Museum of Modern Art/Museum **of the 20th century.** Works by Oswald Oberhuber, one of Austria's finest artists. Ends October 26.

The Austrian National Library. The Arab world in Europe. A marvellous collection of letters and other literary items. Ends October 16.

Hermes Villa. Portraits by the fin-de-siècle artists, Gustav Klimt and Emilie Floege. Ends Feb 19.

Secession. Klimt's Beethoven Frieze is back in its rightful and *original place in the Secession*, now beautifully restored. The Secession was founded by a group of artists, Klimt included, at the turn of the century. At the time, it provided a haven and experimental ground for *artists who were tired of the old* established and conservative Kunstlerhaus or arts Academy.

Rome

Palazzo Venezia. Imago Mariae. Over 100 works, including masterpieces by Gentile da Fabriano, Pinturicchio, Correggio, Giaquinto and Tiepolo, showing the progressive humanisation of the Virgin Mary from the austere figure of the Middle Ages to the gentle and accessible charm of the Renaissance and Baroque portrayals. Ends Oct 4.

Galleria Nazionale d'Arte Moderna. Gastone Novelli and Achille Perilli. A three-part exhibition devoted not only to the two Italian painters, but also to the architect Luigi Cosenza, responsible for the gallery's new extension. Until Sept 25.

Bologna

Pinacoteca Nazionale and Museo Archeologico. Guido Reni (1575-1642). A splendid collection of paintings by the Bolognese mannerist painter, the first to bring the concept of physical beauty into sacred art. The paintings come from major Italian and *foreign* museums. Many have been restored for the occasion and *some have not been* on public display for many years. Until Dec 8.

New York

Metropolitan Museum of Art. An exhibition of architecture on paper covers four centuries of drawings *including works by* Frank Lloyd Wright, Louis Comfort Tiffany and Arata Isozaki, as well as the west facade of the Alhambra that dates back to 1580. Ends Jan 8.

Museum of Modern Art. Almost 100 black-and-white prints illustrate Matisse's influence during a 50-year printmaking career that included lithography, drypoint, etching and linoleum cut. Ends Nov 6.

Chicago

Art Institute. More than 50 Dutch and Flemish 17th century masterpieces from the Hermitage in Leningrad, including works by Rembrandt, Rubens, van Dyck and Frans Hals, kick off a collaborative *effort* by US and Soviet museums Ends Sept 18.

Art Institute. The first major retrospective in 30 years of Paul Gauguin includes more than 230 objects and major paintings from all the periods of his *exotic* and *far-flung life*. Ends Dec 11.

Tokyo

Tokyo National Museum. The Splendour of Turkish Civilization: Ottoman Treasures from the Topkapi Palace. This selection of 150 items focuses on the heyday of the Ottoman Empire, from the 16th to 19th centuries. Highlights include a steel helmet incrusted with priceless rubies, turquoises and amethysts, and a wooden throne inlaid with ebony, mother of pearl and silver. Closed Mondays.

Hara Museum of Contemporary Art. Shinagawa. Oil paintings by Tomie Ohtake, who emigrated to Brazil in 1936 and is now regarded as one of Latin America's liveliest abstract artists. This is her first solo exhibition *in her native country* and has been organised to commemorate the 80th anniversary of the arrival of the first Japanese immigrants in Brazil. Closed Mondays.

Japan Folkcraft Museum (Nihon Mingeikan), Komaba. Crafts from India. The museum is in an old Japanese farmhouse building which accords perfectly with the unselfconscious beauty of the objects. Closed Mondays. Ends September 25.

National Museum of Western **Art.** Japonisme. A major exhibition, seen earlier this year at the Grand Palais in Paris, which explores the influence of Japan on the art of the West in the late 19th century. Closed Mondays.

Ueda Gallery, Ginza. New works by Shoichi Ida. Ida is regarded as one of Japan's leading contemporary artists and has exhibited widely at home and abroad. This exhibition gathers recent works, many from a series entitled the Garden Project and Lotus Sutra, where stones, twigs and other natural materials evoke images of Japanese gardens. Closed Sundays. Ends October 15.

SALEROOM

Tate gains a Ramsay

Sotheby's may not be holding many major auctions at the moment but they have been busy behind the scenes negotiating a private treaty sale between a Scottish family and the Tate. As a result a fine portrait by the 18th century Scottish artist Allan Ramsay of Thomas, the second Baron Mansel and his half brothers and sisters, painted in 1742, joins the gallery's collection.

The gross value of the painting *was put at* £900,000, a *much* higher sum than any Ramsay has fetched at auction, but because of the "sweetener" arrangements the Tate pays much less than this and the family, descendans of the sitter, gains a considerable credit against its tax liability. Even so a few eye brows will be raised in the trade at the high valuation put on the work.

Meanwhile Phillips had a good postcard and cigarette sale yesterday. Anyone collecting cards of the shipwreck of the HMS Galdiator off the Isle of Wight in 1908 would have had a field day, an album of 65 cards of the event on offer selling for £198. A run of around a thousand theatrical cards from 1900 up to the 1930s, many signed by actors, realised £682 and the popularity of golf was confirmed when a set of twelve cigarette cards from Faulkner doubled its estimate at £374. A set of fifty cards by Wills commemorating Waterloo did well at £770 and eight cards that *were withdrawn from the Wills* series on musical celebrities also exceeded forecast at £660.

An auction with City interest takes place at Bonhams this afternoon. Hambros is moving from Bishopsgate to Tower Hill and is selling off furniture from its boardroom and dealing rooms. Twenty pedestal desks carry estimates up to £800 while a suite of 14 silvered chandeliers and wall lights from the dining room could make £800 each.

Antony Thorncroft

FINANCIAL TIMES

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Thursday September 22 1988

Developing City skills

LONDON'S pre-eminence as an international financial centre in the post-war period has owed much to a benign regulatory environment and a tax structure that has been accommodating to foreign nationals. Sound infrastructure, the acceptability of the English language and a flexible legal system have obviously played a part. But the spectacular growth of financial services in the Square Mile could not have taken place without an adequate supply of skilled labour. If a new report from the Institute of Manpower Studies is to be believed, those skills need to be managed with far greater sophistication in future if the City's potential for job creation is to be realised.

At first sight the report's suggestion that overheating in the labour market could prevent the City generating a further 37,000 new jobs in the five years to 1992 looks odd. The gossip in the stock market is all about the next wave of redundancies. But the International Stock Market is not synonymous with the City. Within the total figure, employment in the securities markets is expected to contract by 2 per cent annually, involving net job losses of around 3,000. At the same time the employment structure is expected to move away from mainstream financial services such as banking, securities and insurance towards support services such as accountancy and management consultancy.

Skills diverted

The report's central thesis is that the recent growth of City employment, though welcome, has been marred in one specific respect. The upheaval in the financial system in the 1980s has diverted scarce skills from employers, both in and out of the City, with sound policies on employment and training to those with a less exemplary record. The process has caused severe scarcities, disruption and pay anomalies which have tended to benefit only the job-hoppers.

To some extent this is the inevitable result of the creation of a completely new infrastructure following the deregulation of individual markets. In a highly protected environment characterised by extensive non-price competition, which is what the City used to be, good human resource management is no more likely to flourish than any other management skill. One of the more telling findings of the authors is that two thirds of the institutions in their survey did not have well defined and properly resourced personnel and training programmes.

This must be one of the few respects in which the City has not greatly changed during the present decade. It is likely to be a grave disadvantage if the authors are right in assuming that the City's competitive edge derives increasingly from financial innovation and that high educational qualifications, buttressed by training, are crucial in perpetuating that edge as the move to a single European market. They foresee trouble if the regional economy in the south-east continues to boom, generating a demand for skills that outpaces the national average; and the trouble will be made worse by a contraction in the school leaver and graduate populations.

Relative advantage

The City's prospects as a financial centre are, of course, a matter of relative advantage *vis-à-vis* other centres such as Frankfurt or Paris. They, too, may be prone to skill shortages. Britain, for example, has a much larger accountancy profession than the economies of continental Europe. However much of a disadvantage that may be in other respects, it is a marked plus in terms of the availability of highly qualified information technologists.

It is none the less true that London no longer enjoys the benefits of a light regulatory regime, following the enactment of the Financial Services Act. Its regulatory advantage will also erode further as liberalising directives emerge from Brussels. That underlines the importance of maintaining a competitive advantage in skills. The report is surely right to call for more in-house human resource planning and development – especially in the light of Britain's increasing dependence on financial services for jobs growth.

Brinkmanship in Lebanon

ONE OF THE world's more bizarre presidential elections is supposed to be taking place today somewhere in Beirut. Members of Lebanon's parliament are due to meet to choose a successor to President Amin Gemayel, whose six-year term ends tomorrow.

By last night, it was not clear who the candidate or candidates would be, whether a parliamentary quorum would be assembled, or even where the meeting would take place. Moreover, the election is for a post whose significance can best be described as symbolic in view of the progressive collapse of central government authority in Lebanon. After 13 years of civil strife and indescribable suffering, the Lebanese themselves could be forgiven for questioning the poll's relevance.

Yet what happens in Beirut today is important to the Lebanese people and the outside world. First, the election will determine the prospects for preserving even the fiction of a unitary Lebanese state. Second, it will have a bearing on the broader balance of power in the Middle East, given the tendency of other governments in the region to fight their wars through Lebanese proxies.

Trial of strength

The constitutional issue arises because of a peculiar trial of strength over the last few weeks between Syria, the US Administration and Lebanon's Christian minority.

Syria has been largely left alone to sort out the Lebanese mess since Western powers and to a large extent Israel pulled out in 1984. During the election period, it has been trying to use its influence to amend the country's antiquated power-sharing arrangements in favour of the majority Moslem population. Failing that, Damascus has proposed two unequivocally pro-Syrian presidential candidates, Mr Suleiman Franjieh and Mr Michel Daher, who might be expected to perform its work after the election.

The Christian Lebanese Forces militia has dug in its heels against both constitutional change and overt Syrian meddling in Lebanese affairs. Mr Richard Murphy, the US Assistant Secretary of State, has been left trying to hold the ring.

It remains possible that a compromise candidate will be found today, and that the election will be allowed to proceed with a semblance of normality. If not, the risk is that Lebanon will be left with two governments as Mr Gemayel appoints a "transitional" Christian prime minister and the Moslems retaliate by establishing a separate administration of their own. The formal partition of Lebanon will have begun.

Doubtful viability

There is a sense in which all this is merely a formality. Lebanon has endured *de facto* partition into Moslem and Christian enclaves for some time. But foreign governments, from Damascus to Washington, have been desperately anxious not to allow this state of affairs to become *de jure*. The West has no desire to see the establishment of any more mini-states of doubtful viability. Syria fears that overt partition of Lebanon could raise worrying questions about the integrity of other Middle Eastern states, not least itself.

Lebanon's "proxy wars" throw the issue into sharper focus. The weakness of the country's political structure has invited foreign interference ever since it gained independence in 1943. Every Middle Eastern state, from Iran to Israel, has had a hand in the country's affairs in the last decade and more. In recent months, the picture has been further complicated by Iraq's assistance to the Lebanese Forces – purely, it seems, to stir up trouble for Syria in its own back yard. There remains a danger that an indirect battle in Lebanon between any of the foreign antagonists could, in the long term, become a direct war.

In the circumstances, the only hope for maintaining a minimum of order and legitimacy in Lebanon is a continuing Syrian role. The Christians may carp at interference in their affairs, but they would certainly be worse off with formal partition. And if the fighting restarts, the chaos will be complete.

Kenneth Gooding looks behind Minorco's bid for Consolidated Gold Fields

Big game in their sights

Sir Michael Edwardes, former chairman of British Leyland and Chloride, was back in his element yesterday. As he sipped Perrier water and munched smoked salmon sandwiches in a cramped office, he was discussing his latest venture – the small matter of a £2.9bn bid for Consolidated Gold Fields, one of the UK's major mining and industrial groups.

While there can have been very few people in London or Johannesburg who were surprised by the bid, the appearance of Edwardes to spearhead the attack on one of Britain's most historic companies came out of the blue.

His appointment as the deputy chairman and chief executive of Minorco, the Luxembourg investment group, will be seen as a brilliant stroke by Harry Oppenheimer's Anglo American Corporation of South Africa to give credibility to its claim that Minorco has been given its independence.

This is an important consideration because the offer for Gold Fields will be widely perceived as part of the general trend of South African businesses acquiring assets outside their country to protect themselves against domestic political instability and uncertainty.

In this case also, many observers believe Anglo American is moving to maintain its share of world gold supplies.

Since 1902 the Oppenheimer family has built up one of the most powerful industrial ampires the world has ever seen, with over 100 corporations with interests on six continents, generated from the wealth of its gold and diamond mines in South Africa. But South Africa's pre-eminence as the world's largest gold producer has been waning.

"Anglo American has high-volume but low-margin gold mines in South Africa. It has failed to find its own low-cost gold in North America so it is buying Gold Fields to get hold of some there and in Australia and Papua New Guinea," commented one analyst.

South-African born Edwardes tells a different story. He says a group of "young Turks" at Anglo American became convinced that the time had come to make more of the assets held by Minorco, the group's overseas investment arm.

Edwardes says that it took some time to convince the Anglo American hoard but eventually it gave permission for Minorco to switch from being a passive investment organisation into becoming "a hands-on manager of its assets." He says the aim is to huild Minorco into one of the world's leading natural resources companies.

The acquisition of Gold Fields would be a big step in the right direction. It would widen the number of outside shareholders in Minorco and dilute the stake held by Anglo American and De Beers to 40 per cent. But, Edwardes insists, Minorco's new strategy will not change if the bid fails.

At present Minorco's investments, worth about $3bn at current market values, span six continents, mainly in precious metals and materials, coal and oil and industrial activities. Some of these investments were made by Anglo American for strategic reasons. For example, through Engelhard and Charter Consolidated, which has a 37 per cent stake in Johnson Matthey, Minorco can subtly influence the two major platinum marketing companies and thus gain some protection for its South African platinum mines.

Edwardes says that in future Minorco will either be able to directly influence the decisions of companies in which it has invested, or will sell them off – except where the strategy dictates otherwise.

Edwardes has been joined on the Minorco board by three "young Turks", each 38 years old who all joined Anglo American in the early 1970s – Roger Phillimore, responsible for strategy and commercial affairs, Tony Lea, finance, and Henry Slack, North American affairs.

They have a very clear idea of what they want if they win Gold Fields. They see Gold Fields's wholly-owned US gold mining subsidiary, Gold Fields Mining Corporation, and ARC, the Amey Roadstone construction group, as the plum assets with excellent management.

However, the 38 per cent shareholding in Gold Fields of South Africa would be sold and the 49 per cent shareholding in Newmont Mining of the US substantially reduced. These disposals would help pay off some of the $1.7bn of debt Minorco must raise for the bid.

None of this will be welcomed by Rudolph Agnew who, as chairman and chief executive of Gold Fields, is generally credited with bringing some life back into what was a sleepy organisation. In particular, he believes that Gold Fields should continue to build a strong position in North America. To this end he was not willing to rely solely on Gold Fields Mining, which is involved in grass-roots exploration, but also invested in Newmont, whose 80 per cent owned offshoot Newmont Gold has a major property on the Carlin Trend in Nevada, probably the richest gold deposit outside South Africa.

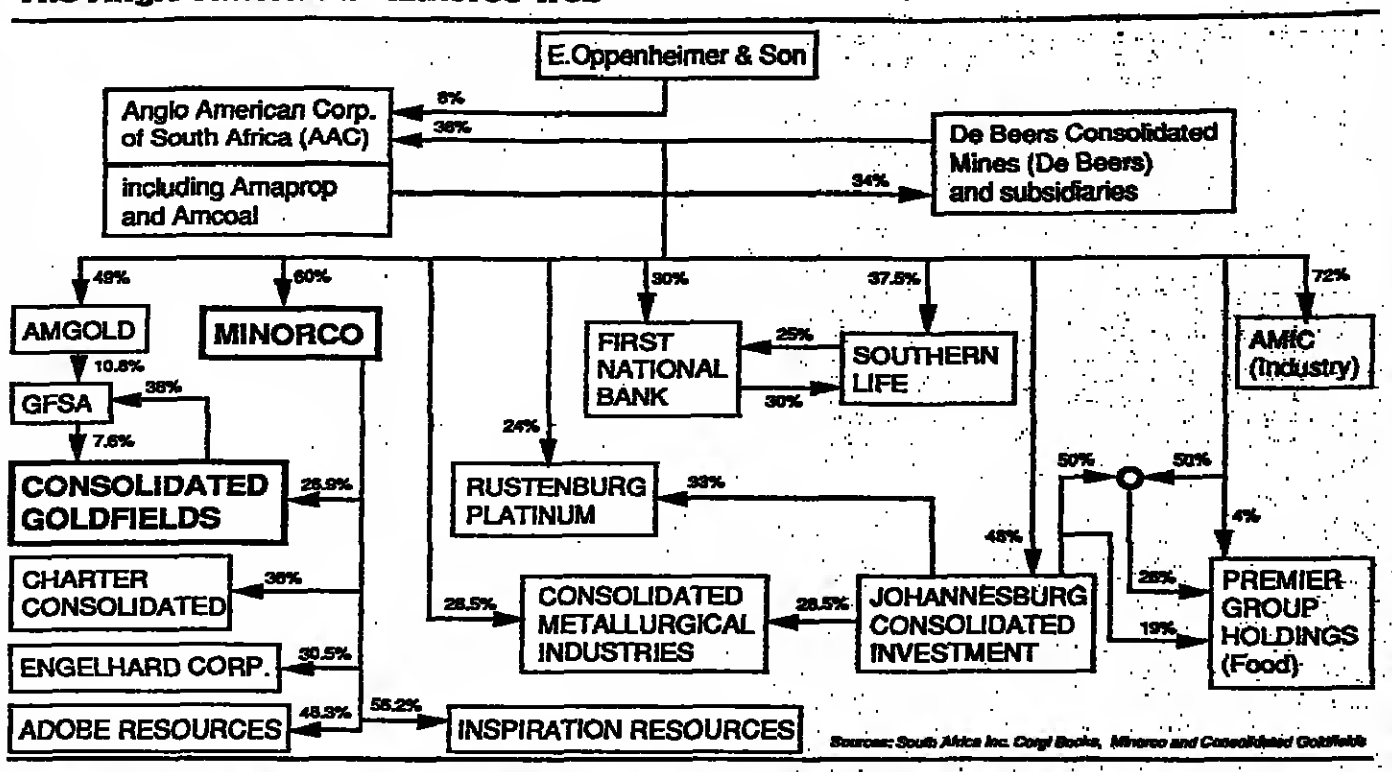
Gold Fields's commitment to this strategy was tested last year when a group led by Mr T. Boone Pickens, the corporate raider, made an unwelcome bid for Newmont Mining. Gold Fields increased its shareholding in the US company from 26 per cent to 49 per cent to fend off the bid. However, the cash for that came partly from a special dividend paid by Newmont which had to borrow $2.2bn.

It is not just Newmont's heavy debt which has put the company on Minorco's list for disposal. Gold Fields also undertook not to increase its shareholding for 10 years. "We would undo the damage done to Gold Fields by the Newmont bid," declares Edwardes.

There will be some questions asked about whether this is the right policy and about Edwardes's qualifications for running a natural resources group. He has always relished turning round companies in deep trouble – and Gold Fields does not fit that picture.

Neither does the idea that Edwardes, who even battled with Mrs Thatcher when he was at British Leyland, will dance to Anglo American's tune hold much sway, even though Julian Ogilvie Thompson, one of the most powerful executives within the South African group, will be his chairman.

The Anglo American - Minorco web



Sources: South Africa Inc. Corgi Books, Minorco and Consolidated Goldfields

The stalking of Gold Fields

It is more than eight years since Anglo American launched its infamous dawn raid on Consolidated Gold Fields, and the subsequent boneymoon between the two sides did not last for long.

Although they swapped directors, relations between the British company and its South African shareholder have often been strained, and it is somewhat surprising that open hostilities have not broken out before now.

Gold Fields is now larger than Anglo American in terms of its stock market capitalisation. This, together with its increasingly independent strategic stance, has only exacerbated the frictions which have long lain beneath the surface.

One of the first signs of the strained relationships came with Gold Fields's 1981 rights issue to finance its initial stake in Newmont Mining of the US. Anglo American had also been stalking Newmont and reacted to the rights issue by suggesting that Gold Fields pay it an underwriting commission, a old Anglo tactic for companies under its influence.

Gold Fields resisted and also blocked efforts by Anglo to get its two directors elected to its key board committees. As long as the Anglo interests held under 30 per cent of Gold Fields they were going to be treated just like any other shareholder. This clearly irritated the Anglo camp.

Between 1981 and 1984 both sides observed what one Gold Fields executive refers to as "an uneasy peace". However, this was broken when Anglo showed signs of wanting to increase its stake from just under 30 per cent to between 35 per cent and 40 per cent. The Gold Fields concern was that this would give the South Africans near control of the company and shareholders needed some compensation.

By 1986 relations between the two sides had deteriorated to such an extent that Gold Fields claims that Anglo threatened to sell its stake to another predator if it did not bow to Anglo's ambitions.

This was sufficient to get Gold Fields to begin discussing a possible merger with Minorco, which held the Anglo stake. The prospect was superficially attractive. Gold Fields had plenty of ideas and assets and Minorco had access to plenty of cash. However, negotiations soon ran into problems when line management of some of Gold Fields subsidiaries argued vehemently that further South African involvement would damage their business aspirations, particularly in the US.

This could be overcome if South African ownership in the combined group was reduced. However, Anglo balked at this suggestion and meanwhile Gold Fields itself was becoming increasingly concerned about the prospect of being taken over by a company located in a tax haven.

"We argued very strongly that serious companies did business in serious cities and this did not mean Zug," says Mr Rudolph Agnew, Gold Fields' chief executive, referring to the highly discreet, low-tax Swiss town.

By November 1986 Gold Fields decided that merger talks were getting nowhere and decided to call them off. According to Mr Agnew the Anglo camp "took the news very hadly". Just before Christmas it re-emerged with what he calls a "pre-conditional, conditional offer" valuing the company at around £8.75 per share in a mixture of cash and paper.

This was around £2 above the Gold Fields share price, but the offer was conditional on Gold Fields recommending it to its shareholders.

For a variety of reasons, ranging from plans to move the company to Switzerland to worries about the business implications of an increased South African involvement, Gold Fields rebuffed the Anglo approach and it was never made public. Fortunately for Gold Fields, its share price subsequently ran up to £15 and its board of directors could feel comforted that they had made the right decision.

However, Anglo maintained the pressure behind the scenes and began buying shares earlier this year without telling the company. Gold Fields reacted by cancelling shareholders' rights to take the annual dividend in scrip form. Technically, Gold Fields said that it had problems on advance corporation tax. However, the real reason was to block Minorco's creeping control.

By yesterday morning it was clear that any semblance of friendliness between the two sides had evaporated. Mr Agnew described the hid as a "straightforward asset-stripping operation" which has nothing to do with business but with the extension of the family dynasty of Mr Harry Oppenheimer.

"He is an old man in a hurry who recognises that there must be a danger for his South African empire and is very keen to secure a place in the world for his extended family."

William Hall

OBSERVER

MacGregor's railway

■ Sir Ian MacGregor, the former chairman of British Steel and British Coal, has his eyes on another state monopoly ripe for privatisation – British Rail.

MacGregor yesterday chaired an Adam Smith Institute seminar on railway privatisation. He said he would be happy to take on BR if asked, and pointed out that he once ran the Mount Newman to Port Hedland line, in Western Australia. This line, which carries ore mined in the Opthalmia mountain range to the Indian Ocean, moves 4m tons of freight a month – about a third as much as the entire BR network.

MacGregor conceded that running a single route was probably easier than chairing BR, although he seemed to think the difference was merely one of scale. But the experience taught him a lesson about railway management. The one thing the Mount Newman line lacked was passengers. So when a glass-topped observation car came up for sale in the US for only $10,000, MacGregor snapped it up and had it shipped to Australia.

Everything went well until the car was hooked to a train for its first run and the driver decided he was unable to take it out unless he received a pay rise for hauling passengers. MacGregor refused, the drivers went on strike, and the scheme was scrapped. The drivers, he said, were mostly British immigrants who learned their skills, and their industrial relations philosophy, with BR.

MacGregor also revealed that he tried to persuade BR during his days with British Steel to sell the air rights above its rail network to the private sector, so that toll roads could be huilt on piles above the lines. BR rejected the idea, which was later taken up, with little success, hy Sir Alfred Sherman. MacGregor remains convinced that the scheme would be a goldmine for BR, which he thinks should double deck its entire London network. Sherman, he says, never understood the economics of the scheme.

Why he did it

■ It is, of course, unlikely that Sir Ian MacGregor will be offered the chairmanship of British Rail. He was 76 yesterday and the job may not be available until after the next general election. People who have known him from a very early age, however, claim that he has one particularly strong motivation. He feels guilty that he spent the second world war outside the country. In fact, he was doing valuable work on metals in the US. But he always believed that he ought to give something back. That, rather than all the fuss about salaries and hiring fees at the time, explains why he took on British Steel, then British Coal and even considered doing both jobs at once.

Poor Mubarak

■ President Mubarak of Egypt, who arrives in Britain from Belgrade this weekend for a hurriedly prepared official visit, may not receive the most sympathetic of hearings.

Mubarak has never been able to match the flamboyance and charm of his assassinated predecessor Anwar Sadat. Where Sadat was fashionable, the current President is stolid and pugilistic in appearance, a man of narrow lapels. Sadat was a man for the grand gesture; Mubarak is a stickler for mundane detail in negotiations. Sadat expected the full red carpet treatment, but Mnbarak may settle for rather less. It is, after all, the second time in less than a year that he has toured Europe appealing for help in his long struggle with the IMF.

His wife, Susan, may help to raise the profile of the low-profile presidency. She will meet Lady Howe on Sunday and hopes to look at facilities for handicapped children or perform other good works while Mnbarak himself does the rounds with the Foreign Secretary, the Prime Minister, Neil Kinnock, and probably King Hussein of Jordan.

The Egyptian President recently claimed – in a speech to farmers – that all Egyptians would die if he reduced government subsidies and raised the price of electricity and other services. Despite her growing interest in foreign affairs, however, Margaret Thatcher has never seemed particularly warm about Egypt. This is Mubarak's chance to explain his problems.

He may be better received in Paris and Bonn next week: he is understood to have struck up a special rapport with Chancellor Kohl.

"The PM's right – it'd be awful to lose our national identity."

Bhutto's timing

■ Benazir Bhutto, the main opposition leader in Pakistan, has produced a coup of a kind. When the late President Zia announced that elections would take place on November 16, it was widely assumed that the date had been chosen because the person he most wanted to keep out of office would be incapacitated at the time. Bhutto was expected to have a baby around November 17.

She gave hirth to a boy on Tuesday and should shortly be free to devote her full energies to the election campaign.

Bhutto returned to Pakistan from exile two years ago and married last December. She predicted at the nuptials that if she became pregnant quickly, Zia would bring forward the elections which were not due until 1990.

Great and good

■ The Mitsubishi Trust and Banking Corporation of Japan is making a gift of £1m to the Oxford Union Society. Since the Union is funded neither by the University nor by the British Government, no doubt the money will come in useful. Yet one cannot help thinking that the Japanese have fallen for a lot of nostaligic nonsense about Oxford traditions. The myth is that the Union is the nursery of statesmen and the Trustees of the gift include Lords Goodman, Hailsham and Jenkins, as well as Michael Heseltina and Edward Heath. Some rather prominent politicians never had anything to do with tha place.

With feeling

■ Sign seen on the rear window of a car in London's Charing Cross Road: "Theatre musicians are the pits."

Philip Stephens looks at the world economy as G7 finance ministers gather in Berlin

Warnings amid the optimism

It is not the most obvious time to be worried about the prospects for the world economy. In industrialised nations, at least, output is rising faster than at any time since 1984. Investment is booming. Inflation is edging up but seems containable. The US trade deficit is at last shrinking and is being willingly financed by overseas investors.

Economic policy-makers, meanwhile, are talking to, rather than shouting at, each other. Even the markets are calm, for the moment promising to behave themselves until US voters have chosen between Mr Bush and Mr Dukakis.

So the finance ministers and central bankers of the Group of Seven nations, gathering in Berlin this weekend for the annual meeting of the International Monetary Fund, can be expected to deliver a suitably optimistic assessment. They will be careful not to appear too complacent – their self-satisfaction last year provided an unwelcome backdrop to the world stock market crash a few weeks later.

But some, at least, will be unable to resist a note of self-congratulation on their economies' resilience in the face of the share price slump – and on the renewed effectiveness of international policy co-ordination. Much of the optimism is genuine. Even the natural sceptics among the policy-makers are voicing confidence that, if most of the problems confronting the world economy have not gone away, they are being successfully managed.

It is a plausible case. But it has, as the more far-sighted officials recognise, an important potential flaw: finance ministers, like economic forecasters, have a natural tendency to project the present into the future.

If the world economy is strong now, if policy co-ordination is working, if trade imbalances are shrinking, then why should 1989 be any different?

The obvious answer is that next year, even if nothing else changes, the US will have a new administration, and, possibly a new economic policy. But there are more fundamental reasons for caution, flowing from both the lessons of the recent past and from projections of the likely pattern of trade balances into the 1990s.

The risks are neatly summarised in two publications from the leading international economic organisations.*

One is a slim volume from the Paris-based Organisation for Economic Co-operation and Development (OECD) which analyses policy responses to a dozen different economic "crises" during the 1970s and early 1980s. It should be required reading for every finance minister in Berlin.

Two of its broad conclusions, in particular, stand out.

The first is that there is no successful precedent in the recent past for the US's present attempt to tackle such a huge trade deficit without sacrificing either economic growth or control of inflation.

In some respects the US deficit is unique. The dollar's role as the world's major reserve currency has loosened the external financing constraints which would have faced other countries at a much earlier stage. The diversification of international investment portfolios following the rapid liberalisation and globalisation of financial markets during the 1980s may also have helped to ensure a much more sustained flow of funds to the US.

It may be, however that these factors have simply delayed the day of reckoning. The traditional brake on the build-up of trade deficits imposed by the need to attract a constant flow of foreign capital may have been replaced by what the OECD calls a "creditworthiness" constraint. The threat is that at some entirely unpredictable moment international investors will take fright at the huge build-up in US external debt and refuse to finance additional deficits.

The second lesson is that the G-7's new framework for policy co-ordination, based on the development of economic indicators and on vague exchange rate targets, does not guarantee sensible and co-operative economic policies.

Almost invariably during the 1970s, the trigger for determined official action to curb external or domestic imbalances was some form of crisis, typically one imposed by the foreign exchange markets.

Thus Britain's Labour Government changed course in 1976 when it was forced to go cap in hand to the IMF. President Carter's about-turn on inflation in 1978 was forced on him by the free-fall in the dollar's value.

As the OECD remarks: "In most cases, even without a formal system of indicators, the writing was on the wall." What was lacking was the political will on the part of governments to take hard decisions before they had to.

So the question is whether the new US Administration – be it Republican or Democrat – will take determined action to rebalance its economy by cutting the budget deficit, or rather whether it will do so before the markets impose their own solution – most probably through a slide in the dollar's value.

It is against that background that the projections in the the second study, the IMF's latest World Economic Outlook, to be published next week, underlines the expected resilience of both the US trade deficit and the Japanese and West German surpluses into the 1990s. Its medium term forecasts suggest that the US current account gap will remain around $130bn in 1989, while the Japanese and West German surpluses will still be in the region of $80bn and $40bn.

More worrying, perhaps, the projections also indicate that after 1989 the trade adjustment process could begin to go into reverse. That would involve a build-up in the US's external debt to well to over $1,000bn during the the early 1990s, progressively tightening the "creditworthiness" constraint suggested by the OECD.

There are obvious shortcomings in the IMF projections. By convention, they assume that both national policies and exchange rates remain constant, something that never happens in the real world.

The present US Administration insists that, assuming that Mr Bush is elected in November, it will continue to develop the co-operative strategy launched three years ago with the Plaza accord.

That, the argument runs, would imply further reductions in the US budget deficit and strengthened efforts by the surplus nations to accelerate the pace of domestic spending in their economies – both would significantly improve the outlook.

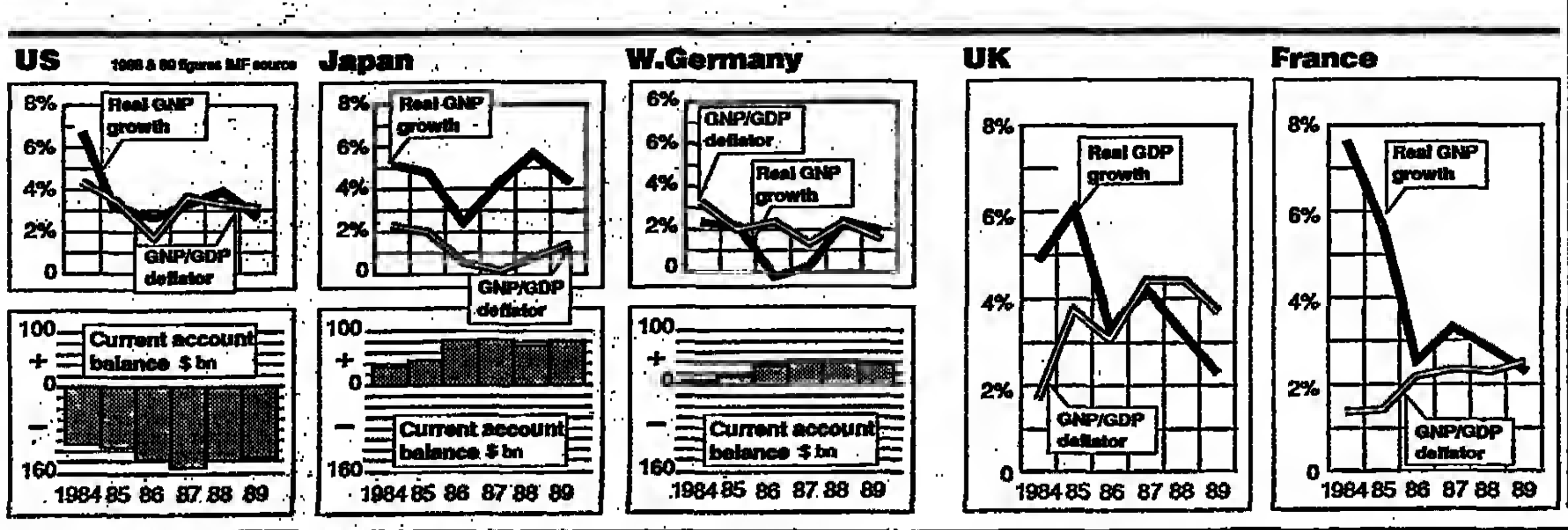
Unfortunately, there are warnings in the present as well as in the OECD's analysis of the past and in the IMF's glimpse of the future.

The slowing in the Japanese economy in the second quarter of this year, the continued reliance of West Germany on exports, and the still-rising trade surpluses of the Asian NICs (newly industrialised countries) all suggest that the erosion of trade imbalances may get harder rather than easier.

Neither the IMF nor the OECD is predicting inevitable calamity. But it is worth setting their warnings against the ingrained optimism of the finance ministers in Berlin.

Just as last November it was wrong to project the gloom cast by the stock market crash into an indefinite future, so too it might now be unwise to rely on the present calm remaining undisturbed.

**Why Economic Policies Change Course, OECD, Paris. The World Economic Outlook (forthcoming), IMF Washington.*



BOOK REVIEW

Progress of the charitable impulse

THE VOLUNTARY IMPULSE

By Frank Prochaska

Faber and Faber, £4.95

In the course of his essay on philanthropy, Frank Prochaska on several occasions tells us that the charitable impulse has been seen constantly as a feminine one – and came to be contrasted with the masculine impulse for order, regimentation and state-controlled provision.

He admits that Beatrice Webb, after all a prime mover of blue-book statism, is a huge exception to his theory and he quotes her tart comment that "a million sick have always seemed actually more worthy of self-sacrificing devotion than the child sick with fever . . . " But he falls back on the view of the philanthropist, Josephine Butler, that "large legislative welfare systems were 'masculine' in character while the parochial system of personal ministration, with its corollary of recreating domestic life in institutions, was essentially 'feminine.'"

This chimes with his belief that "a fundamental reason for the resilience of philanthropy is its enduring recognition of the primacy and integrity of the family and the perennial need to defend it from deterioration" – in the main, seen *(still) as woman's work.*

It also raises the inevitable speculation: does the fact that the British Prime Minister is a woman predispose her to the "feminine" solution of personal charity as against the "masculine" statism she has done so much to destabilise? Did her sex intuitively allow her to *grasp that the neo-liberal ideol*ogies taken up by a few of her colleagues a decade and a half ago promoted and advanced the female principle in the world, at a time when the male was exhausted?

Prochaska speculates but leaves it for another to pick through that minefield. He also *provides a few other reasons* why we should be seeing the philanthropic urge edge out of the wings once more: that, in an age where personal service and consumer demands are given constant salience, large state-run institutions, which must for their efficiency depend on uniformity and con*trol, seem increasingly unsatis*factory: and that the bureaucratisation of the state welfare system and its evident failure to eradicate poverty has stimulated a pro-charitable wave.

The essay is meant to be a historical sketch, providing background to an issue important to us all. It does that well, combining a patent sympathy for the much derided charitable sector with a sharp eye for the Victorians' easy assumption that they could dispense morality with the soup.

He waves away the prevalent belief that charity was always and everywhere the work of middle class do-gooders – "though unostentstious aod uncelebrated, the charity of the poor to the poor was, according to various observers, startling in its extent." Not much has changed there, as the miners' strike showed.

However, I would have welcomed more on the involvement of corporations with philanthropy: on *the work of the* Victorian capitalist-improvers, the Owens, Levers, Rowntrees and others. For it is evident that as the British Government, and others to a lesser extent, seek to stimulate the charitable and social impulses of the "active citizen," we are also witnessing the emergence in the UK *and elsewhere* in Western Europe of the "civil corporation," using the US model but in some ways going beyond it.

The civil corporation not only gives a per cent or two of its profits towards good causes: it also acts as an organising centre for its own employees' *charitable work and* seeks partnerships with the local and central state on environmental, educational and other projects.

Not only do companies have a greater ability to mobilise and direct large amounts of money, they also have a set of policies they wish to see implemented and increasing leverage *in seeing that they are.* The new men and women running some of the most public of our companies are now routinely used by government as the conduit for social and employment programmes.

The withering away of the state is being accompanied by the socialisation of capital, a movement which has received little debate in parliament or the press because it has been so piecemeal, discrete and incremental. It is, however, one of the largest social innovations of our times.

Towards the end of his book, Prochaska suggests that the understanding which philanthropists arrived at with the (then very weak) public authorities that "individual philanthropy was their concern" may be suited as well to a post-industrial as to a pre-industrial age. If this hint is to be expanded, its expansion lies in the area I *have* indicated: in the increased pressure and space for individualism, in the still growing cultural predisposition against the "bureaucracy," in the approval for the innovative, the small scale and the personal.

Yet Victorian and pre-Victorian charity took its theme *from religion* and *from the* brute fact that lives were often short and illness and death agonisingly nasty; that is less so now, in part, because of the existence of very large "bureaucracies" entrusted with the task of providing health care, which need maintaining if the poorer among us are not *to slip back* into the *horrors* of pre-20th century sickness.

It also points to a route for philanthropy, one it has already taken, which is, in part, the mobilisation of large sums to alleviate a sudden famine or save a much-loved hospital and, in part, the insertion of personal concern into *lives which may* be physically whole but are otherwise fragmented.

The philanthropic impulse can do a very great deal to disprove Mrs Thatcher's ambiguous remark that "there is no such thing as society": ironically, she is the patroness of that impulse

John Lloyd

LETTERS

Conservatism and community

From Dr Anthony Henfrey.

Sir, Joe Rogaly's call (Politics Today: September 16) for the UK centre parties to place strong emphasis on the value of citizenship assumes that market-dominated individualism is incompatible with any sense of feeling of community.

Implicit in his call is the belief that the Conservative party is incapable of reconciling these concepts – and that indeed they may be incompatible.

However, the value of community has always been a deeply-held Conservative belief. While *it is true that* economic imperatives generated by two generations of decay have necessitated a strong dose of market economics and a belated recognition of the key role of individual initiative, I do not believe that anyone in the Conservative party underestimates the importance of community.

Indeed, it seems to me that it is far more likely to be the Conservative party itself that proves best able to reconcile the so-called irreconcilables described by Joe Rogaly.

Anthony Henfrey,
Simmons & Company International,
4900 Republican Centre,
Houston,
Texas 77002,
USA

Tu quoque

From Mr Peter Wills.

Sir, Clive Wolman remarks (September 15) that "the dismantling of tha Stock Exchange cartel in 1986 was supposed to lead to keener competition, a *slashing* of prices and an improvement of service."

Dismantling tha print union's cartel was "supposed" to lead to the same desirable results in the national press.

Peter Wills,
Sheppards Moneybrokers,
20 Gresham Street, EC2

Sweden's capitalism did away with 'them and us' attitudes

From Mr Denis MacShane.

Sir, Your leader on the success of Sweden's political left in holding power (September 20) correctly stressed the Social Democratic Party's adaptation to market *capitalism as* a key to the remarkable half century in government enjoyed by the Swedish sister of the British Labour party.

But what you call "managing capitalism" has required a radicalism unthinkable in Britain.

To take three examples:

First, the solidarity wage policy forced by unions on employers in the 1950s and 1960s helped to give Sweden wage structures within firms, and between sectors, that did *away with the "them and us"* attitudes still prevalent in the UK.

Second, the wage earner fund scheme, even in its muted form, persuaded workers that their efforts were not going exclusively into higher dividends or high salaries for managers.

Third, the presence *of* worker directors on the boards of all companies with more than 25 employees (yes, 25) not only strengthens employee participation, but also responsible *management.*

This is a very different capitalism from the British variety. One might add that Sweden's classless education and health systems provide social cohesion which contributes to economic growth, while governmant commitment to full employment is the surest way of breaking down labour rigidities.

Finally, the Swedish Social Democrats have embraced a radical, though firmly democratic internationalism which retained the loyalty of talented idealists – especially those of the 1968 generation, whose equivalents on the British political left dissipated their energy in sectarian frolics.

Denis MacShane,
112 chemin de la Fléchère,
1255 Geneva,
Switzerland.

Post Office vocabulary causes confusion

From Mr J.A. Steiger.

Sir, Recent FT comment on the Post Office monopoly, and our discussions with independent carriers, have highlighted a confusion which needs urgent clarification.

The Post Office refers to either "letter packets" (any item up to 750 grams weight) or "parcels" (any item over 750 grams weight.) The consequence of this distinction is that it is widely believed that the Post Office's monopoly applies to any letter packet item, and that private carriers must make a minimum charge of £1 whether delivering heavy letter packets (which everyone would commonly refer to as a parcel) or a single page letter weighing 20 grams.

If the £1 minimum charge was introduced to protect the delivery of letters only, then the Government should say so – and thus open the delivery of lighter parcels to competitive tender.

J.A. Steiger,
6 Clifton Road,
Ilkley, West Yorkshire.

Steamed up

From Mr Richard Henderson.

Sir, Observer's cartoon of September 13 shows Time: 1.30pm, Mortgage Rate: 13 per cent, and Temperature: 60 degrees C. Another failure of Britain's 1992 policy – or merely further evidence of the UK economy overheating?

Richard Henderson,
20 Tamar House,
12 Tavistock Place, WC1.

Managing toxic waste

From Mr E.E. Finnecy.

Sir, In your article written by Richard Donkin (September 2) you say that that it emerged on September 1 that a United Kingdom Atomic Energy Authority team inspected the Karin B's cargo in June. This is not so. What the team inspected at that time was the waste dump in Nigeria, part of which subsequently became the ship's cargo: this inspection attracted considerable media coverage at the time.

You further state that I criticised the Government's reaction in turning the cargo away. This is not a fully balanced report of my views as expressed to Richard Donkin. As a waste manager myself, I regret any suggestion that these wastes are unmanageable (by the UK or others): they are not. However, I wholly accept the over-riding political dimensions of the decision – which seems to have had the desired effect of returning the cargo whence it came.

E.E. Finnecy,
Environmental Safety Centre,
B7. 12 Harwell Laboratory,
UK Atomic Energy Authority,
Oxfordshire

Observed more closely

From Sir Denis Forman.

Sir, There are some inaccuracies in Observer's report about Novello and Filmtrax (not Flimtrax) on September 5.

First, the name Novello will not disappear when it becomes a part of Filmtrax. It will continue as it did when Novello was taken over by Granada.

Second, the possible sale of Novello was widely known throughout the music publishing world, and a number of offers were considered before it was decided to enter into discussions with Filmtrax. To my knowledge there are no consortia currently considering rival bids.

Third, the loss of PRS (Performing Rights Society) income because of the expiry of Elgar copyrights has already been made good.

And finally, Filmtrax – with whom we hope to conclude a contract shortly – has declared its intention of retaining both the Musical Times and the Strad as separate and continuing titles.

Denis Forman,
Novello & Co.,
Granada Group,
36 Golden Square, W1

FINANCIAL TIMES
Thursday September 22 1988

Bankers face a storm in Berlin

Militants threaten IMF, World Bank talks, reports Leslie Colitt

THE abortive shotgun attack on Mr Hans Tietmeyer, a senior offical in the West German Finance Ministry, on Tuesday may be an isolated incident, but for those responsible for law and order during the next week's annual meeting of the International Monetary Fund (IMF) and World Bank in West Berlin, it is a worrying harbinger of what may lie ahead.

Responsibility for the attack on Mr Tietmeyer has been claimed by the "Khaled Aker Commando" of the Red Army Faction, Germany's main terrorist movement of the 1970s.

Although the attackers did not directly refer to the forthcoming Berlin meetings in a message to news agencies, they specifically mentioned Mr Tietmeyer's activities in IMF and World Bank circles, as well as his work in preparing Western economic summits. The target was "one of the leading actors in international crisis management" they said.

While police in Bonn were spreading their net to try to catch the assailants, West Berlin was rolling out a heavily-guarded red carpet for the meeting.

Across the Berlin Wall, East Berlin is also putting out the welcome mat, although East Germany, in contrast to Poland, Hungary and Romania, is not a member of the IMF. Unlike the Soviet Union, it will not even be sending an observer to the IMF functions.

Many of the bankers attending the sessions in West Berlin, however, will be put up in East Berlin's best hotels because first-class accommodation is fully booked in the West. A fleet of East German limousines is ready to whisk the bankers through the Wall.

West Germany has spent DM30m ($16.1m) to host this largest and most important post-war economic meeting in a city whose own financial role lies in the past. West Berlin now hopes to display its prowess as a leading European convention city.

West Berlin officials, however, are worried that the desired image of "efficiency

with a heart" may be eclipsed by political chaos when delegations from 151 nations, their finance ministers, central bank chiefs, leading bankers and nearly 1,000 journalists descend on the city. Left-wing groups plan a series of spectacular events aimed at "throwing sand in the mechanism of everyday capitalism."

Protests against cheap Third World labour are to be staged at a large West Berlin clothing store, while demonstrators will gather in front of a major pharmaceuticals and chemicals company in the city to chant slogans against "forced sterilisation in Third World countries and agro-business."

Demonstrations are also to take place wherever delegates gather: at the German Institute for Development Policy and in front of Philharmonic Hall and the Opera House, where they will be "serenaded" by demonstrators playing their own instruments. The last day of counter-events is entitled "profits, poverty, indebtedness

The Red Army Faction yesterday admitted responsibility for the attack on Hans Tietmeyer in a six-page letter sent to the Reuters news agency

and pauperisation policy of banks and companies," and begins by watching bankers in their habitat, strolling to the Stock Market and visiting McDonalds – presumably to protest against its alleged chopping down of Brazilian forests in order to raise cattle.

Protest of a more sober, but arguably more effective nature are also being mounted by members of Germany's powerful Evangelical and Roman Catholic Churches. Church opinion has been surprisingly galvanised by the IMF/World Bank meetings, with a welter of criticism against the policies of the two institutions towards the Third World.

In the most extreme cases, opposition to their actions – and by implication to the Western capitalist system in general – has even been presented as virtually an article of faith. New emphasis has also sometimes been placed on Old Testament doctrines such as the opposition to lending money for interest.

But the protesters are unlikely to get very near the bankers or the ICC, which has been declared off-limits for demonstrations of all kinds. Thousands of police reinforcements from West Germany will join the West Berlin police force to assure that the IMF meetings go off without a hitch. According to some estimates there will be more than one policeman for each delegate, in addition to their own bodyguards.

West Berlin security officials refuse to confirm or deny plans to create extensive "no go" areas in the city, similar to those adopted during President Ronald Reagan's visit to West Berlin last year. The authorities are particularly worried that so-called autonomous groups might slip through the net of controls at the city border and around the meeting sites to wreak havoc.

Meanwhile the groups have hardly been inactive. Having learned their lesson from President Reagan's visit, when many demonstrations fell flat because of a lack of numbers, an "office for unorthodox measures" is advertising for accommodation outside the politically volatile Kreuzberg district, which was sealed off during Mr Reagan's visit and where many extremists are based.

Mr Guenter Rexrodt, West Berlin's Finance Secretary, appealed to citizens not to allow themselves to be "irritated" by the militants' threats. But West Berlin's vibrant counter-culture promises to provide most of the controversy in coming weeks.

A peaceful "counter congress" to the IMF-World Bank meetings will take place at the city's Technical University on September 23 and 24, organised by the youth wing of the opposition Social Democrats, together with the Greens, West Berlin's tiny Communist Party, and 17 other organisations.

Invited guests include Mr Julio Aroyo, a member of the Argentine Sugar Workers' Union, and Mr Pedro Vuskovic, the former Economics Minister of the Allende Government in Chile. Discussions will revolve about whether the IMF and World Bank can be reformed or should be abolished. Another counter-congress organised by environmentalists and ecologists in the Academy of Arts will deal with the ecological effects of World Bank projects on, for example, tropical rain forests.

A mock trial of the IMF and World Bank to be staged at the Free University of Berlin by the "Permanent Tribunal of the Peoples." The trial is to end with a verdict by a jury which includes Mr Adolfo Perez Esquivel, the Nobel Prize winner.

President Richard von Weizsaecker of West Germany offered some much-needed balm for the ears of IMF and World Bank officials in a recent speech in Berlin. He said the organisations had "neither caused the debt crisis nor can they alone solve the world's pressing development problems."

He added that the IMF now recognised more than ever that loan conditions must not overburden the developing nations.

City of London to add 37,000 jobs-'if it can change'

By John Gapper in London

A FURTHER 37,000 jobs will be created in the City of London by 1992 on top of 51,000 created since 1984 according to a study published yesterday.

However this will only happen if a "sea change" takes place in the way the City recruits and trains its workers.

If the City fails to increase training and evolve a better planned approach to employment, 20,000 jobs could be lost to other European Community financial centres, and 12,000 to other UK centres according to the Institute of Manpower Studies, an independent research body in London.

The study, commissioned by a group of City personnel directors, also says the shake-out of jobs in the securities dealing industry since the stock market crash in October last year has been heavily exaggerated.

Although the number of workers employed in City securities companies is likely to fall by a further 3,000 by 1992, the net loss up to June this year was only 1,500. The study says the total workforce in the City was 273,000 in 1973.

It identifies the biggest problem facing City institutions as their heavy reliance, since 1984, on buying in trained employees with scarce skills.

"The choice for the City is clear" says the report." Create its own stock of skills in order to ensure global competitiveness into the nineties, or abdicate its premier position to other global financial centres through benign neglect."

City institutions employing about 90 per cent of the financial workforce in the Square Mile and 78 per cent of that in surrounding Inner London boroughs gave information for the survey.

The report argues that the City – defined as the Square Mile and financial institutions in the Inner London boroughs – faces particularly acute employment problems because it is a "knowledge economy" in which 51 per cent of workers have qualifications of GCE A level(equivelant to the French baccalaureat) or higher.

The growth of employees of 51,000 to 273,000 between 1984 and 1987 in the run-up to Big Bang was achieved by "vaccuming" trained employees from other sectors, and thus creating jobs rather than skills.

"This process has caused severe scarcities, disruptions and pay anomalies, benefitting job-hoppers and no-one else," it says, arguing that a tightening labour market means the process will be difficult to repeat up to 1992.

Employment growth in the six industries studied – banking, other credit institutions, securities, insurance, accountancy and management consultancy, and software services – was eight times the national average between 1984 and 1987.

The underlying rate of job creation will fall to around 3 per cent annually up to 1992. There are expected to be 3,000 job losses within securities dealing, while 11,000 jobs are created within accountancy and management consultancy.

The major threat to job creation is the contraction in the number of school-leavers in the south-east of England's labour market, and a levelling out of the number of women workers.

The predicted slowdown in the rate of job creation is attributed to two sets of factors: external and internal. Externally, the Third World debt provision, the ascendancy of Japanese banks and the European single market are cited.

Internally, it says there will be linked attempts to control costs: restructuring of work to make it simpler for junior staff, better deployment of existing technology, and rationalisations associated with mergers.

It identifies several underused sources of recruitment which City institutions could target when hit by the fall in school-leavers rather than looking outside to poach staff. They include women, ethnic minorities and older workers.

Women, who constitute 45 per cent of the City workforce in the City, but under 10 per cent of those in senior positions in most of the institutions studied, are seen as a obvious target group to be given greater opportunity.

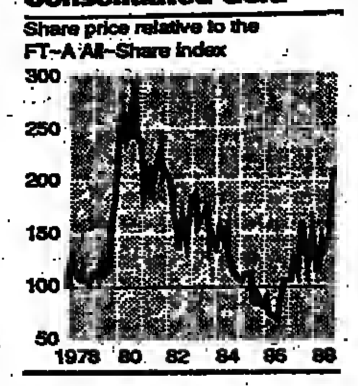
Create or Abdicate: The City's Human Resource Choice for the 90s; Witherby and Co, 32-36 Aylesbury Street, London EC1R OET; £225.00.

Leader, Page 16

THE LEX COLUMN

Breaking into the gold vaults

The London market's disarray in the face of the Gold Fields bid suggests a disquieting thought. In the past six months, the fund manager's best strategy would have been to throw all brokers' circulars in the bin and buy on rumour – Rowntree, BHM and Gold Fields, Lonrho and Enterprise, RTZ and Sears. This is the logical outcome of the division between the City and industry on the outlook for profits, and hence the value of assets. Fundamental analysis may be essential in the long run, but at present it looks more like a costly ornament.



Gold Fields

The best thing to be said about the Minorco bid for Consolidated Gold Fields is that it could scarcely have been better timed from the shareholders' point of view. Gold Fields' shares were already overvalued by at least £1 on fundamental grounds ahead of the bid, and the recent collapse in the gold price can only have widened the gap. Meanwhile, the South Africans are wise to take advantage of the current political vacuum in Washington to press ahead with a bid which might attract considerably more interest by an administration of a different temper.

Nevertheless, there is a certain amount of hot air surrounding the logic of the bid, and an all cash offer would have been greatly preferable. Minorco is a not particularly well managed Luxembourg shell company standing at a discount to net asset value which would make any investment trust manager highly embarrassed; and in terms of mining investment, its record cannot match that of Gold Fields. However, with the appointment of Sir Michael Edwardes as its first chief executive it now plans to unlock its own hidden value along with that of Gold Fields, and turn itself into one of the world's largest natnral resource groups. There is nothing in its record to date to suggest that it can accomplish this ambition, let alone eliminate its own substantial discount. In the meantime the scale of debt it will be taking on will put its gearing on a par with that of Gold Fields.

However, Minorco has correctly identified Gold Fields' weak spots. With the passage of time Gold Fields' shareholders may regret exiting South Africa, whose gold reserves dwarf anything else in the world, but Minorco's proposal to sell GFSA has considerable short-term attractions. It will dull any political opposition and help rerate the shares. Similarly, the proposal to reduce the Newmont stake has short-term attractions, since it is going to be a very long time before Gold Fields gets a decent return on that investment; and Newmont's own heavy gearing means that it has had to ditch its ambitions of becoming a major US mining finance house.

It is impossible to argue with Minorco's assertion that in the short term Gold Fields' shareholders will benefit from a spot of asset stripping. The only question is whether the price is enough, and whether a white knight will emerge. RTZ would make an ideal partner, but is unlikely to be willing to match the current price, let alone the higher price which will be necessary to win the day. Gold Fields is worth far more to Minorco than anyone else, and the market knows it.

Sun Life

Everybody loves a bit of international intrigue, but 150p a share is e lot to pay for a ringside seat. The humbler Sun Life shareholders may have only the haziest idea of what Groupe AG, or UAP, or Donald Gordon of Liberty Life are up to; but they can be fairly certain that whatever it is, it will not do them much good. So when AG announced yesterday that it had arranged to bail out in favour of UAP – thereby reducing the prospects of a nice fat £1bn bid – the share price lost 13 per cent worth of bid premium and the institutions started to get nervous.

Things could yet return to the status quo, if Donald Gordon and the fund managers combine to vote down Sun Life's share swap with UAP at next Thursday's EGM. But Mr Gordon may well decide that ganging up with UAP itself would do more to further his seven-year spoiling game with Sun Life. Together they would control well over 40 per cent of the shares; and they would no doubt be glad to relieve the Sun Life management of the headache of running the business. Obviously Mr Grant of Sun Life thinks that no such alliance is possible; but there is little evidence so far that the UAP management shares Mr Grant's dislike for Mr Gordon. A Franco-South African deal would give Mr Gordon the power he has always wanted, and ensure UAP effective control of a major UK assurer on the cheap. And whatever the merits of the UAP board, their first allegiance would not be to Sun Life shareholders. Mr Grant could yet end up having swapped one large hostile shareholder for two of the same, to the detriment of everybody in between. And with no one else on the horizon, the shares could have further to fall.

Kleinwort Benson

There seems to be something of a black hole in Kleinwort Benson's interim figures. The £3m drop in profits from investment management is readily explained by the drop in private client business, and is being praise-worthily addressed not by shedding clients, but by cutting costs. The oddity comes in the similar fall in profits from merchant and investment banking, despite the income from last year's rights issue, the elimination of at least £7.5m of losses in securities and record profits in commercial banking. Some of this is due to the lower return on free capital invested in equities; but the bulk of that capital seems to have been invested elsewhere, and to have suffered some mysterious mishap.

However, very few investment houses emerged from the past year without a costly lesson somewhere in their operations. The overall picture seems reasonably robust; and it is striking that the securities side, despite the costly recruitment of star analysts, should have been in profit overall. Then again, the market-making war may put paid to that in the second half, making full year forecasts a matter of pure speculation. At a price of 338p and a guess of £50m pre-tax for the year, the shares are on over 13 times earnings – scarcely cheap for such a volatile business, especially given that Kleinwort is one of the more bid-proof banks in the sector.

Gemayel and Assad in talks on successor

By Tony Walker in Damascus

PRESIDENT Amin Gemayel of Lebanon held unexpected talks yesterday with President Hafez al-Assad of Syria in an effort to defuse a political crisis over the election of a new Lebanese leader and avert a renewed civil war. He returned to Beirut last night.

Mr Gemayel's surprise visit to Damascus comes just 48 hours before his term as President expires. Failure of various Lebanese factions and Syria to agree on a replacement threatens to rekindle Lebanon's war and partition the country.

Other leading Lebanese figures, including Dr Selim al-Hoss, the acting Prime Minister, and Mr Hussein Husseini, the parliamentary Speaker, were also in Damascus yesterday trying to agree on a replacement for Mr Gemayel. Several possible candidates could emerge as an acceptable choice to the Christians and to Syria and its Moslem and leftist allies in Lebanon.

The US and Syria had proposed Mr Michel Daher, a Maronite Christian parliamentarian from north Lebanon as a compromise. His name was vetoed at first by Christian leaders in East Beirut.

Mr Daher was in Damascus yesterday as discussions continued between the Christian and Syrian leaders. His presence there was interpreted by Syrian observers as suggesting he might well emerge as the compromise choice after all.

Meanwhile, Mr Samir Geagea, leader of the hardline Christian Lebanese Forces militia, endorsed Mr Raymond Edde, a veteran politician, as an acceptable candidate. Mr Edde has been living in exile in Paris since 1976 after several assassination attempts.

Syrian officials have been saying that Mr Edde is an unsatisfactory choice because he has spent so long eway. They say Mr Daher, a little-known political figure, represents a reasonable compromise.

However, Mr Geagea has accused Mr Daher of making "written commitments" to the Syrians, pledging to co-operate in reforms of Lebanon's antiquated political system. Damascus is insisting that the new president must not simply preserve the status quo.

Under an unwritten covenant dating from independence from France in 1943, Lebanon's president must be a Maronite Christian. Maronites have tended to dominate other positions in the government and the military.

Brussels scraps plan on credit card loss

By William Dawkins in Brussels

DRAFT plans to make banks legally liable for the loss or theft of credit cards were yesterday scrapped by the European Commissiou in favour of a voluntary code of practice.

The cbange of tack follows intense pressure over the past three weeks from European banking groups keen to avoid inflexible statutory consumer protection rules. However, the Commission has warned banks they have a year in which to incorporate yesterday's code of practice into their own card-issuing contracts, otherwise it will relaunch the plans to make them legally obliged to cover card holders against losses.

Brussels now plans to reopen talks with banking officials so that financial institutions can draw up their own code of conduct for consumer protection.

Banks had argued that inflexible statutory consumer protection rules would have stifled innovation and that a code could be more easily adapted to the new kinds of cards emerging in the fast changing payment systems industry. They emphasised their natural self-interest in winning consumer confidence.

The Commission's code of conduct suggests that customers' liability should be limited to Ecu150 ($168) if their card is lost or stolen, unless banks can prove them negligent or dishonest.

A Commission official denied that the change was a direct response to banks' criticism, merely that "financial circles felt that it would be better for them to act rather than public authorities."

Nagorno emergency

Continued from Page 1

that it would open up a host of nationalist demands for boundary changes in other republics. The Soviet constitution says any such change can only be carried ont by mutual consent of the republics concerned.

However an attempt by Mr Mikhail Gorbachev, the Soviet leader, to pump investment into the disputed region, where a major complaint has been the neglect of the Azerbaijan government, has been continually thwarted by strikes and demonstrations in the region.

In Yerevan itself, the demonstrators were yesterday demanding an emergency session of their Supreme Soviet

The gamble Mr Gorbachev – through his envoyd – is now taking is that he can bring the situation under control without using excessive force, or full-scale martial law.

Eurobond fraud attempt

Continued from Page 1

clear and Cedel, but they are used by only 40 or so financial institutions. A computer specialist who worked on Euclid said yesterday: "Most banks are lax in their security. If I had accesa to all the passwords, I could transmit the necessary transfer instructions from my own home using a personal compnter in under five minutes."

This latest example of computer-mediated fraud raises again the question of whether companies, especially financial institutions, are taking computer security seriously enough. In July this year the Union Bank of Switzerland narrowly avoided being defrauded of £32m; a year ago an attempted £5m fraud at Prudential Bache Securities was foiled. Fraud experts believe these publicly known examples are only the tip of the computer fraud iceberg.

WORLD WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	25	77	Dubrovnik	F	24	75	Malta	C	23	73	Rhodes	S	27	81
Algiers	F	24	75	Edinburgh	C	14	57	Manchester	C	13	55	Rio de J'o	C	28	82
Amsterdam	C	15	59	Faro	S	25	77	Manila	F	33	91	Rome	C	25	77
Athens	C	32	90	Florence	S	24	75	Melbourne	S	20	68	Salzburg	C	14	57
Bahrain	F	36	97	Frankfurt	C	17	63	Mexico City	F	26	79	San Francisco	C	23	73
Bangkok	F	33	91	Funchal	S	24	75	Miami	F	30	86	Seoul	F	28	82
Barcelona	S	24	75	Geneva	F	18	64	Milan	F	21	70	Singapore	F	33	90
Beirut	F	33	91	Gibraltar	F	25	77	Montreal	C	25	77	Stockholm	F	17	63
Belfast	C	13	55	Glasgow	C	13	55	Moscow	C	11	52	Strasbourg	S	18	64
Belgrade	S	21	70	Guernsey	C	16	61	Munich	C	13	55	Sydney	C	21	70
Berlin	C	14	57	Helsinki	F	12	54	Nairobi	S	24	75	Taipei	R	28	82
Biarritz	S	19	66	H Kong	C	29	84	Naples	F	21	70	Tangier	S	28	82
Bombay	-	-	-	Innsbruck	S	18	64	Nassau	F	31	88	Tel Aviv	S	34	93
Bordeaux	F	23	73	Inverness	C	14	57	New Delhi	F	33	91	Tenerife	S	25	77
Brussels	F	19	66	Islamabad	C	34	94	New York	C	28	82	Tokyo	C	27	81
Budapest	C	18	65	Istanbul	C	25	77	Nice	C	21	70	Toronto	C	22	72
B Aires	C	24	75	Jakarta	C	34	93	Nicosia	F	40	104	Tunis	T	19	66
Cairo	F	38	100	Jersey	S	18	64	Oporto	C	18	64	Valencia	S	25	77
Cape Town	S	17	63	Jo'burg	F	24	75	Oslo	C	13	55	Venice	F	20	68
Caracas	C	26	79	Lima	C	19	66	Paris	C	21	70	Vienna	C	15	59
Casablanca	-	-	-	Lisbon	F	27	81	Peking	S	29	84	Warsaw	C	13	55
Chicago	C	19	66	London	C	17	63	Prague	C	12	54	Washington	S	22	72
Cologne	C	16	61	Los Angeles	C	20	68	Reykjavik	R	07	45	Zurich	C	16	61
Copenhagen	F	17	63	Luxembourg	F	14	57								
Corfu	R	21	70	Madrid	S	24	75								
Dallas	F	23	73	Majorca	S	25	77								
Dublin	C	15	59	Malaga	S	24	75								

Readings at mid-day yesterday
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

French budget plans

Continued from Page 1

increase in spending will be financed by the Government's proposed new wealth tax, which is expected to cover around 110,000 tax-payers with wealth of over Fr4m and to produce revenue of around Fr4bn.

The Government's wealth tax proposal was stiffened yesterday by the Socialist members of the parliamentary finance committee, who amended the text by adding a new higher-rate category for fortunes of over Fr20m, to be taxed at 1.1 per cent.

In the Governmment's draft, the top rate was to have been 0.9 per cent for fortunes of over Fr12.9m, and the Prime Minister is said to be displeased that the Socialist Party has kicked over the traces by breaking the 1 per cent ceiling.

When the wealth tax is debated in plenary session, it will be an important test of the Socialists' relationship with the Communists on their left and the moderate conservatives on their right.

FINANCIAL TIMES
COMPANIES & MARKETS
Thursday September 22 1988

INSIDE

Building on solid foundations

The booming North American construction market is the site of the latest foray by the Swiss-based Holderbank, the world's largest cement producer. Having built its business into the second largest cement manufacturer in Canada after Lafarge, Holderbank's local subsidiary is now poised for aggressive expansion into the US. Page 22

Twins buy back family business

The Carter dynasty of New Zealand was so successful in fighting off potential marauders that it ended up with only 2 per cent of its own company. Now twin brothers Richard and Kenneth are preparing to pay twice the market rate for shares in a defensive employee trust. It may cost the brothers as much as NZ$277m ($168m) to regain control of Carter Holt Harvey, but having seen the raiders off, the Carters now want to get back to running the family business. Page 23

Yugoslavs bank on reform

Like the Yugoslav political system, the country's banking system is both complicated and unique. But a long-overdue radical reform of the banks could result in many bankruptcies and possibly lead to widespread industrial unrest in the short term. Many feel that the reforms will eventually see the light of day, partly because Mr Branko Mikulic (left), the Prime Minister, is head of one of two the economic commissions drawing up changes to the banking system. Page 24

Not so wonderful Copenhagen

The huge investment made by the Copenhagen broking community in a new electronic trading system has yielded few dividends. At the root of the growing problems are a dearth of market makers and insufficient liquidity, which is also tied to inadequate information. Hilary Barnes examines what may be a fundamental flaw in the set-up and the moves being considered to restore more normal trading. Page 42

Lawrie Barratt leaves home

Sir Lawrie Barratt is to step down as chairman and chief executive of Barratt Developments, the UK housebuilding group he formed over 30 years ago. At its speak-volume of sale peak in 1982-83, the group sold 16,500 homes, 70 per cent of them to first-time buyers. Sir Lawrie then successfully diversified out of the timber-frame method of construction after adverse publicity and rebuilt hie reputation in the more-expensive end of the housing market.
Barratt results, Page 27

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)				Damart	2751	+	51
Rises				Lafarge Copp.	1425	+	54
Bayer Hypo.	370	+	8	Midi	1460	+	20
Daimler	715	+	14.5	Perrier	1144	+	37
Commerzbank	248.5	+	5	Valeo	585	+	14
Thyssen	163	+	3	**TOKYO (Yen)**			
NEW YORK ($)				**Rises**			
Rises				Takasaki Pap	748	+	100
Greyhound	35½	+	2½	Tosho Print	1660	+	180
KDI	18¾	+	⅞	Terumo	1980	+	170
Newmont Min.	36¾	+	2½	**Falls**			
Rorer Grp.	38⅜	+	2⅜	Daido Steel	1220	−	140
Falls				Nagasakiya	4000	−	410
Polaroid	39⅝	−	½	Nippon Pipe	722	−	58
Cray Res.	73½	−	1				
PARIS (FFr)							
Rises							
BSN	5540	+	180				

New York prices at 12.30

LONDON (Pence)				Merrydown	409	+	19
Rises				Priest Marians	394	+	17
BICC	360	+	6	RTZ	459	+	38
Barratt Dev.	179	+	13	Rank Org.	674	+	21
Charter Cons	393	+	45	SD-Scicon	79	+	4
Cons Gold Flds	£14	+	3¼	Sears	138	+	9
Cookson	258	+	12	Tarmac	234	+	8
Dee Corp.	173	+	11	Ward White	275	+	8
Eng China Clays	479	+	13	**Falls**			
Glaxo	£10⅞	+	⅝	Enterprise	652	−	20
J'son Matthey	344	+	21	Sun Life	£10⅜	−	1½
Laing Props.	478	+	11	UK Land	708	−	15
Local London	420	+	12				
Lonrho	307½	+	17½				
Lucas Inds.	572	+	23				

Opening the way for boarding parties

David Waller and Anatole Kaletsky look at Asher Edelman's raid on Lonrho

During his long and controversial career at the helm of Lonrho, Mr "Tiny" Rowland has encountered many an adversary. There was Sir Basil Smallpeace, who tried to oust him from the board in 1973, and Mr Edward Heath, the Tory premier who branded Lonrho "the unacceptable face of capitalism". Later, there were the Al-Fayed brothers, who captured House of Fraser, the stores group, from under his nose. Now there is Mr Asher Edelman.

Mr Edelman is a 49-year-old New York-based businessman. Since the beginning of August, using a network of London brokers and a Swiss bank, he has accumulated a stake of at least 3.79 per cent in the UK based conglomerate, worth £43m ($73m) at the price he paid.

So much was disclosed on Tuesday: the true level of his holding is more likely to be around 5 per cent. He appeared to be adding to this yesterday, as Lonrho's shares jumped amid heavy turnover to close 17½p up at 307½p.

Mr Rowland is reported to be "relaxed" about the situation, but Mr Edelman's arrival has revived speculation that Lonrho might fall victim to a bid designed to break the company up. It is a very different question as to whether Mr Edelman is the person to attempt this, or merely an arbitrageur hoping to put the company "in play" for a much weightier predator.

Certainly, he has been holding talks with Lonrho's largest institutional shareholder, the New York-based Mutual Shares Corporation, which owns 6.7 per cent of the equity. This indicates a measure of seriousness, but Wall Street analysts were doubtful as to whether he had the financial muscle or commitment to make a full bid which could value Lonrho at up to £3bn.

While Mr Edelman, who refuses to discuss his intentions, has inspired some fear in the boardrooms of the half dozen industrial companies which he has taken over or raided, he does not seem to command much respect on Wall Street. He is certainly not numbered among the top league of corporate raiders – people like Mr Carl Icahn, Mr Robert Bass, the Belzberg family of Canada or the Hafts of Washington.

Although two of his bids, for Lucky Stores in 1986 and Burlington Industries last year, eventually led to takeovers in the $2bn plus range, Mr Edelman's own role was marginal in both cases.

He started his career as an independent investor and takeover specialist in 1983, after 19 years as a broker and speculator on Wall Street. His first successful deal was an assault on Canal-Rudolph, a US property company which he proceeded to liquidate, enriching himself by around $23m.

He went on to buy and break up a small computer company, Management Assistance in 1984 and for the next two years specialised in the computer sector.

His next two investments, in Datapoint and Mohawk Data Sciences, proved far less successful, as both companies went into heavy losses and proved impossible to sell at a profit.

Mr Edelman went into the straight raiding business from 1986 onwards – buying single figure stakes in undervalued companies and trying to force their managements either to restructure or sell their companies to higher bidders.

Of his last five major forays, since Burlington and Lucky, two, against Payless Cashways and Telex, appear to have been profitable, while three, involving Centel, a $2.8bn telephone company, Foster Wheeler, an engineering services firm, and Ponderosa, a chain of steak houses, probably broke even.

With 800 subsidiary companies, turnover of £3bn and 100,000 employees, Lonrho has long been tipped as a candidate for a break-up bid. Quite apart from Mr Edelmen's buying, events elsewhere in the market have recently helped draw attention to the value locked up in the conglomerate.

Grand Metropolitan, the UK brewing, foods and hotels group, appears to be on the point of realising a net £1.1bn from the sale of its Inter-Continental Hotels, thus highlighting the value of Lonrho's Princess and Metropole hotel chains, based respectively in the Caribbean and UK.

And yesterday's giant £3bn bid from Minorco for Consolidated Goldfields served to emphasise Lonrho's attractions as the operator of the third largest platinum mine in the world, Western Platinum in the East Rand.

Lonrho's myriad other interests range from a 45 per cent stake in the Ashanti Goldfields in Ghana, to the highly lucrative VAG motor distributorship and the Observer newspaper in the UK. Collectively, these interests should generate pre-tax profits of up to £210m in the current year. On the basis of the conservative estimates prepared by brokers Kitcat & Aitken, the company has a break-up value of 500p a share: some analysts would put the figure as much as 100p higher.

But there are considerable obstacles to a break-up bid, which helps explain why the share price has traditionally sat at such a large discount. For a start, Mr Rowland owns 16 per cent of the company himself. He commands a fanatical loyalty among the many small shareholders in the company, who own at least 20 per cent.

And there are fears that much of the company's business in East Central and West Africa – which accounted for £59m out of last year's pre-tax profits of £200m – is tied to Mr Rowland's extensive range of contacts. People remember 1973, when the Zambian Government said it would sever all relations with Lonrho if Mr Rowland was ousted from the board.

Lonrho asset values (estimated at July 1988*)

Ashanti Goldfields (45%) – £100m
Dulker Exploration – £35m
John Holt Group – £120m
Hondo Company (50%) – £30m
Mining/ranching Zimbabwe – £30m
Kuehne & Nagel (50%) – £130m
Kenyan interests – £50m
Lonrho Malawi – £20m
Lonrho Sugar – £60m
Lonrho Textiles/David Whitehead – £70m
Lonrho Zambia – £30m
Lonrho Zimbabwe – £80m
Metropole Hotels – £250m
Princess Properties – £625m
SUITS – £260m
VAG(UK)/SEAT Concessionaires – £230m
Western Platinum – £275m
Other UK companies – £40m
Other overseas companies. – £30m
UK property interests – £70m
(*Source: Kitcat & Aitken)

Sun Life shares plunge as Belgian group lifts stake

By Eric Short in London

SHARES in Sun Life Assurance, the British group which agreed last week to a share exchange with Union des Assurances de Paris, plunged yesterday on news of a complicated share transaction which appeared to reduce the likelihood of a hostile bid for the British company from a third party.

Groupe AG, the Belgian insurance group, announced it had increased its stake in Sun Life from about 5 per cent to 7.5 per cent and had reached an agreement which might mean the sale of the holding to UAP's financial adviser, Balinvest.

The deal made it more likely that the Sun Life-UAP deal would go through, and Sun Life shares closed at 1040p, down 150p.

The move quashed speculation that Groupe AG – a rival to UAP in the Belgian market – might have allied itself with Liberty Life, the South African insurance group which indirectly owns 26 per cent of Sun Life, and has long been seeking greater control over it.

The UAP-Sun Life deal has to be approved at a shareholders' meeting on September 29. Liberty Life has yet to make its position clear but there has been speculation it might vote against the deal, which would dilute its stake to about 22 per cent.

Under last week's deal, UAP would take an 18 per cent stake in Sun Life for about £170m ($284m), with Sun Life paying about the same for an issue of bonds convertible into 15 per cent in UAP International.

However, under that agreement UAP's Sun Life holding was restricted to 20 per cent for the next five years, in the absence of a bid. In view of this, it was unclear yesterday whether it could take full control of the Groupe AG stake, assuming Balinvest takes up its put option.

Mr Donald Gordon, chairman of Liberty Life, reaffirmed yesterday that he was relaxed about the Sun Life-UAP deal, saying he was content with a 22 per cent holding which he considered sufficient to block any move that needs a 75 per cent majority. He knew he could, without much difficulty, take his stake up to 25 per cent.

The board of TransAtlantic, which holds Liberty's interest in Sun Life, meets next Monday to decide on its stance towards the deal.

Lex, Page 18

Elf first-half profits hit FFr3bn

By Paul Betts in Paris

ELF-AQUITAINE, the French state controlled oil group, yesterday reported a 35 per cent increase in first-half net profits and confirmed that it is in "serious" negotiations which might lead to Nigeria taking a minority stake in its European downstream refining and distribution operations.

However, Mr Michel Pecqueur, chairman, added that Elf was negotiating with other oil producing countries as well as Nigeria and with Western oil groups over possible ventures.

The group reported net profits of FFr3bn ($476m) in the first six months of this year, compared with FFr2.2bn in the same period of 1987. Sales, by contrast, declined to FFr59.6bn from FFr62.4bn a year earlier.

Despite the decline in oil prices and the uncertain oil market, Mr Pecqueur said Elf had managed to ride the tide through a strategy centred on the three core businesses of oil and gas, chemicals and pharmaceuticals.

Elf's chemical subsidiary Atochem is expected to see its profits increase 35 per cent this year compared with its FFr1.67bn earnings of 1987.

Sanofi, the French pharmaceutical group controlled by Elf-Aquitaine, is also expecting to report a 25 per cent increase in operating profits this year.

Mr Pecqueur also disclosed that Elf's US chemical operations, including TexasGulf and MNT, were expected to see rises in sales and operating performance this year. TexasGulf cash flow is expected nearly to double to around $135m this year from about $70m last year.

Mr Pecqueur said Elf was expecting to reduce sharply its losses in the refining and distribution sector this year.

He added that the group's strategy in this sector was to pursue internal rationalisation while seeking alliances with either oil producing countries or other western oil groups.

The Elf chairman indicated that Elf, currently 54 per cent state-owned, was not seeking at this stage to tap the financial markets and that the group had sufficient funds to finance its development and growth.

Zurich Insurance buys Canadian insurer

By Robert Gibbens in Montreal

ZURICH INSURANCE, the Swiss insurance group, yesterday agreed to buy Travcan, the Canadian unit of the Connecticut-based Travelers insurance and financial services group, in a move that will create one of the top three property-casualty insurers in Canada.

No price for the deal was disclosed, but industry observers said Travcan was worth about C$300m (US$246m).

The Canadian unit's parent, which is based in the US insurance centre of Hartford, Connecticut, had put Travcan up for sale in May, and said at the time that it wanted to concentrate on its activities in the US.

Prudential of the UK was among the suitors, but pulled out several weeks ago.

Zurich, which reported gross premium income of SFr11.3bn ($7.7bn) as a group in 1987, has been represented in the Canadian market for 65 years.

Zurich of Toronto, the Swiss company's Canadian unit, and Travelers Canada each have a large car insurance business in Ontario, where rates have been controlled since April 1987 when the Government announced the formation of a rate-setting board.

Zurich said the acquisition marked an important step in the development of its North American operations and further enhances its balanced spread

Kleinwort declines to £27m

By David Lascelles, Banking Editor, in London

KLEINWORT Benson, the large City of London merchant banking group, reported a sharp drop in interim profits yesterday, reflecting the slack market conditions which are taking their toll on the whole investment banking community.

However, Mr David Peake, chairman, said the fall disguised "a substantial improvement" in the profits earned by the group's main operations, and he claimed that the strategy adopted by the group "was working." Kleinwort intended to pursue its strategy to become an integrated investment bank with a presence in all the world's major financial markets, he said.

Before tax, Kleinwort earned £26.7m ($44.5m) in the six months to June 30. This was down 30 per cent on the £37.9m earned in the same period of 1987. Earnings per share were also down sharply, from 22.8p to 12.2p, partly because of a rights issue last November.

The group stressed that while it had made transfers out of its inner reserves in last year's first half, to make up for losses caused by back office problems, no such transfers were made this time.

Mr Peake said that much of the fall was accounted for by lower returns earned by Kleinwort on its capital, which it invests in the capital and equity markets. This was reflected in the profits breakdown which showed merchant and investment banking profits of £39.8m, down from £41.9m.

Kleinwort's securities business was reported to be in profit, though no figures were given. In the first six months of last year, it lost £7.5m, largely because of back office problems.

Mr Jonathan Agnew, who is responsible for the group's securities activities, said they were making "a positive return on capital." He reported that swaps and futures operations were particularly profitable, UK equities were "middling", while foreign equities and gilts were at break-even or making a small loss. The group had lost money on Eurobonds and US treasury bond dealing.

Since the mid-year, however, conditions had become "much more difficult," he said.

The commercial banking business is performing well and achieving record profits, but corporate finance has been affected by the sluggishness of the markets which has left its profitability unchanged. Treasury profits were also lower.

The sharpest fall came in investment management which has borne the brunt of the market's weakness. Profits amounted to £895,000, down from £3.8m.

Mr Peake said this division had been reorganised and was now concentrating on institutional and discretionary private client business.

Kleinwort is maintaining its interim dividend at 5.3p. It will also permit its shareholders to receive their dividend in the form of new shares rather than cash.

Lex, Page 18

Shared beginnings for two battling resources empires

Richard Lambert reports on the history of rivalry between groups founded by Cecil Rhodes, the imperial entrepreneur

CONSOLIDATED Gold Fields and the Anglo American empire have been circling each other warily for 50 years or more, and both groups trace their history back to the same extraordinary figure: Cecil John Rhodes, the imperial entrepreneur who created both the De Beers diamond monopoly and the Gold Fields empire.

A dominating character both in terms of physical presence and personality, he seems – in the words of a company historian – "to bave been born with an overwhelming desire to create huge enterprises, and to impose order on chaos."

Arriving in South Africa at the age of 17 in 1870, he created within 10 years a diamond mining business which was bringing him an annual income of more than £50,000. In the mid-1880s, he moved to the Rand and began buying up the Boer farms whicb were to form the nucleus of Gold Fields of South Africa. This was launched with tremendous success on the London Stock Exchange in 1887.

London capital, together witb Kimberley diamond money, fuelled a ventnre which was to flourish on the back of cheap coal from Natal, cheap labour from the interior of Africa, and rapidly developing mining and engineering technology. At an early stage, the company began to invest in other deep mining ventures, and turned into what was the first of the mining finance houses – a parent company providing finance and technical skills for a variety of different exploration and mining activities.

Rbodes's nnlimited ambitions led directly to the disaster of the Jameson raid in 1895, which was an attempt to encourage an internal uprising in the Transvaal against the Government of Psul Kruger. The plot was to a large extent managed and financed from Gold Fields' headquarters in Johannesburg: its failure led to Rbodes' resignation and a marked change in the character of the company.

Whereas the founder lived in South Africa and beld his shareholders in healthy contempt ("I have no intention of working for these fellows for the balance of my life. A more ungrateful crew I have never coms across"), control thereafter passed to London, and into less flamboyant hands. For 50 years and more, all decisions of any consequence were taken in the City, and relations with South Africa were to become at times distinctly ambivalent.

From the early 1960s, however, the company decentralised to the point where the South Africa business became relativsly antonomous. One side effect has been that altbough the operation there has had the reputation (strongly denied by all executives) of being one of the mos illiberal of the mine employers, London has generally kept at one remove from such responsibility.

A recurring theme over the years bas been a push for global diversification. In part, this may have been a response to the growing power of the Oppenheimer interests, which have squeezed Gold Fields out of a number of profitable opportunities in South Africa since the 1930s. A recent example came in the mid-1970s when the company tried to hny Union Corporation, another London-based finance house. The Oppenheimers supported a rival approach by Afrikaner interests, which won the day.

Another motive has been the wish to diversify out of South Africa: indeed in the 1970s the company sometimes gave the impression that it would like to quit the country altogether. It made two disastrous forays into the US, one in the early 1960s when it bought control of American Zinc, which brought enormous losses as a result of falling commodity prices and strikes, and again a decade later when it pushed into the oil rig business at the top of the market.

More recently, the group seems to have developed a much clearer vision of its objectives and opportunities. Under the chairmanship of Rudolph Agnew (whose grandfather ran the business in the 1930's) Gold Fields has invested heavily in its mainstream activities, in exploration for minerals around the world and in its US mining associate.

However, it was during that faltering period around 1980 that the Anglo American group got its foot in the door. Harry Oppenheimer and Lord Erroll, then Gold Fields chairman, jointly declared a pact whereby Anglo would not take its holding above 30 per cent and the two groups would remain friendly competitors. But that relationship has deteriorated over the past few years, to the point of the open war which was declared yesterday.

Gold Fields: A Centenary Portrait, by Paul Johnson. Weidenfeld & Nicolson 1987.

THE TWO COMPANIES COMPARED

Year to June 1988	Gold Fields	Minorco*
Net operating profits	£214.8m	£156.5m
Profits after extraordinaries	£212.5m	£462.4m
Earnings per share	100.2p	271.8p
Dividend	32.0p	17.9p

*Converted from US dollars at $1.6755

The world's biggest non-oil takeovers

Bidder	Target	$bn
General Electric	RCA	5.97
Philip Morris	General Foods	5.63
Kohlberg Kravis Roberts	Beatrice	5.36
BAT	Farmers	5.20
Santa Fe Industries	Southern Pacific	5.10
Eastman Kodak	Sterling Drug	5.09
General Motors	Hughes Aircraft	5.03
Banesto	Banco Central*	5.00
RJ Reynolds	Nabisco	4.91
Minorco	Consolidated Gold Fields†	4.87
Asea	Brown Boveri	4.59
Allied Corp	Signal	4.48
Nestlé	Rowntree	4.47
Burroughs	Sperry	4.39
AV Holdings	Borg-Warner	4.35

* Due for approval in October † Rejected

Source: FT mergers and acquisitions

Rembrandt plays key role in future ownership of GFSA

By Jim Jones in Johannesburg

ANGLO AMERICAN, which at bome has been trying to win control of Gold Fields of South Africa (GFSA) for almost a decade, puzzled Johannesburg stockhrokers yesterday hy its apparent willingness now to cede ownership of the Consolidated Gold Fields associate to Dr Anton Rupert's Rembrandt tobacco-based group.

Soutb African corporate ownership is a fine-meshed weh of cross-shareholdings, and few have been more intricate than the protective arrangements woven around GFSA – which manages Driefontein and Kloof, the country's two richest gold mines.

Anglo American, by contrast, manages the two largest gold mines – Freegold and Vaal Reefs – and is South Africa's biggest private sector enterprise. Its interests extending far heyond mining into manufacturing and finance.

Rembrandt's role is pivotal in any furtber ownership changes at GFSA, which Minorco is proposing to divest if its bid in the UK succeeds. In July last year Gold Fields brought in Rembrandt as a friendly shareholder in GFSA and gave the new partner first refusal over much of its own stake if the London group in the future chose to sell.

Under this arrangement, Gold Fields hived off 30 per cent of GFSA's equity into a holding company in which it sold one third to Rembrandt for £131m. Rembrandt has first right to buy the remainder of this vehicle as well as a further 10 per cent in GFSA, part of an 18 per cent stake kept separately by Gold Fields.

Rembrandt can thns lay claim to as much as 40 per cent of GFSA if the British parent chooses to divest further – or is taken over by Minorco.

Last year's deal suited Rembrandt down to the ground. Its earlier attempts to acquire control of major mining interests have been beaten hy other domestic predators. In the early 1980s Rembrandt and Sanlam, the country's second largest mining group, were involved in a noisy public squabble over control of Gencor, the second largest mining house, with Rembrandt coming off second best. Since then it has been pntting in place the finance and options which will ensure it becomes the recipient of GFSA.

Remhrandt stands ont among the half dozen major South African business groups withont significant mining interests, and it will do everything it can to protect its favoured position at GFSA. This, Johannesburg stockbrokers say, helps explain the Anglo group's decision to sell Gold Fields' holding in GFSA if Minorco's bid succeeds.

That arrangement appears calculated to ensure Rembrandt's compliance and to remove it as a prospective counter-bidder for Gold Fields. In addition, some analysts say, the Anglo group may be calculating that by offering Rembrandt the GFSA sweetener it will be able to count on its help

Domestic politics would hamper Anglo, which has little clout in Pretoria, in gaining clearance to take full control of GFSA. Dr Rnpert, however, remains s powerful figure hehind the political scenes. GFSA, despite its British control, is also favoured by Pretoria. Its conservative labour policies go down well with conservative politicians.

Exchange controls limit the ability of South African companies to invest abroad directly, and there is strong competition to buy assets at home, particularly when a large divestment takes place. GFSA's important operating gold mines make it particularly attractive.

Establishing a new mine would cost in the region of R2bn today. In addition, few South African groups are willing to invest in greenfield projects these days, preferring the greater certainty which comes with acquiring businesses as going concerns.

Considering the fight ahead: Sir Michael Edwardes (left), the aggressor, and Rudolph Agnew, the defender

Opponents present different profiles

By Kenneth Gooding, Mining Correspondent

SIR MICHAEL Edwardes, one of the two men at the heart of Britain's biggest-ever takeover bid, needs little introduction. His five-year stint at the helm of British Leyland made him one of the best-known industrialists in the UK and gave him a reputation throughout Europe as a man who tamed the motor industry unions.

At Consolidated Gold Fields Mr Rudolph Agnew has preferred to keep a lower profile. To some extent he has been forced to take this attitude because Gold Fields' investments in South Africa have made the company a target for anti-apartheid campaigners.

Mr Agnew, 54, became chairman of Gold Fields in 1983. His battle to preserve Gold Fields' independence will be all the more heartfelt because his family's links with the company date back to his grandfather, an Irish military man who was sent to New Zealand during the Maori land wars.

Once this short-lived contest was over, grandfather stayed on in the then thriving gold town called Thames. When the gold ran out he formed an association with Herbert Hoover, later to become US President, and, using other people's money, they searched for mineral wealth.

It was grandfather Agnew's technical expertise that eventually led him to Gold Fields and to become its chairman for much of the 1930s. Mr Agnew's father, a mining engineer, also worked for Gold Fields, from time to time.

After schooling at Downside and some time in the 8th King's Royal Irish Hussars, Rudolpb Agnew joined Gold Fields as a management trainee.

After proving himself in Western Australia, Agnew returned to the UK to run the group's quarrying interests, then tiny but, since the acquisition of Amey Roadstone (ARC) in 1972, a business which contributes a big chunk of Gold Fields' profit.

Since Anglo American pounced 10 years ago and acquired its 29 per cent shareholding in Gold Fields, Mr Agnew has been a constant thorn in the South African group's side. However, it has taken some time for Gold Fields to change its image as a sleeping giant to that of an organisation which knows where it is going.

Key to the strategy was building up gold-mining operations in North America and Australia, assets which Anglo American now apparently covet.

Anglo American has called in Sir Michael, a South African who has spent most of his career in the UK, to spearhead the bid and to implement a major change for Minorco. This former investment vehicle is now to become involved in "hands-on" management of the companies which it will keep in its portfolio.

Sir Michael, 57, moved through the ranks to the top in his 26 years with Chloride, the battery group, before gaining his reputation with British Leyland.

It makes a change for him to be the aggressor in a bid because in the past few years he has collected large redundancy cheques after both International Computers and Dunlop, the tyres group, were taken over very shortly after he moved in as chairman.

He gave up his non-executive chairmanship of Chloride in July this year, clearing the decks, he said yesterday, for his new role at Minorco.

Details of Minorco's offer

By Clay Harris

MINORCO IS offering one of its shares and £19 in cash for every two Consolidated Gold Fields shares it does not already own.

With Minorco shares closing 47p higher yesterday at 772p, the offer values Gold Fields' shares at £13.36. These jumped by £3.22 to close at £14.

The issue of 80m new Minorco shares, to add to the 170m in issue, would dilute the combined interest of its controlling South African shareholders – Anglo American and De Beers – from 60.1 per cent to 40.9 per cent.

Anglo American would hold 26.6 per cent, compared with 39.1 per cent at present, and De Beers 14.3 per cent against 21.0 per cent.

Minorco is advised by Morgan Grenfell and Lazard Frères, Gold Fields by J. Henry Schroder Wagg.

Immediate SE inquiry urged by Labour

By Charles Hodgson

BRITAIN'S Opposition Labour Party yesterday criticised the Minorco bid and expressed concern about its implications for Consolidated Gold Fields and its employees.

Mr Tony Blair, the party's City spokssman, said that Labour was "studying vsry carefully the implications of the hid because of our deep concern and alarm at the apparent interlocking of a South African based company with a major UK strategic interest in gravel and aggregate."

Mr Blair said that the bid was motivated by "the desire of a South African conglomerate to resolve its own problems arising from its involvement in South Africa on the back of a British company, regardless of the interest of that company or its employees.

Lahour also called for an immediate Stock Exchange inquiry into the "spasm of activity" in Gold Fields, particularly in options, prior to the announcement of the bid.

"There must be grave suspicions that insider dealing has been rife in this stock and there must be urgent and effective action by the authorities," Mr Blair said.

The Department of Trade and Industry said yesterday that it was examining the bid but that it would not be taking a view "at this stage."

A DTI spokesman said that its first comment on the bid would come when and if there was an Office of Fair Trading recommendation for a referral to the Monopolies and Mergers Commission.

The Anti-Apartheid Movement yesterday wrote to Lord Young, the Trade and Industry Secretary, urging the Government to block the bid.

Mr Mike Terry, AAM's executive secretary, said last night that the movsment was "totally opposed" to the takeover bid.

He would today contact Mr Jaques Delors, the president of the European Commission, as well as the Greek Government currently chairing the EC Council of Ministers, to establish whether there was a legal basis for the Commission to block the takeover.

He pointed out that opposition to trading links with South Africa was greater in the EC as a whole than in Britain.

According to EC figures, total South African direct investment in Community countries stood at R9.2hn at the end of 1986.

"In one swoop this takeover would donble the amount of South African investment in Community countries," Mr Terry said.

"If it succeeds then the tentacles of the apartheid economy will have reached even further into Britain," Mr Terry said.

In its letter to Lord Young, AAM said that the change in control of Gold Fields would "clearly be contrary to the interests of the UK."

● As part of its defence, Gold Fields itself argued yesterday that operations in many countries could he adversely affected if the hid went through.

Mr J.H.A. Wood, managing director, said that in the UK, "we have no doubt there will be problems with local authorities" while an expansion of US mining would be "very difficult" and Australia was another sensitive area.

South Africans on British buying spree

By Michael Holman

SOUTH African businessmen are in town – and have been for some time – investing in a variety of UK businesses ranging from commodity traders to football pools, shipping companies to textile producers, and from high-technology enterprises to food outlets.

Minorco was ahead of the field in the move away from a South African base.

A series of South African acquisitions has been gathering pace in the 1980s, with South Africans buying into the ontside world in preparation for the hard times that many of its businessmen believe lie ahead.

The main targets are UK companies, partly because of the close historical ties that exist and partly because of Mrs Margaret Thatcher's forthright anti-sanctions stance.

A recent study of South African investment in Britain puts its value at £2.7bn.

The study, by a British researcher wbose earlier report on sanctions was published by a Dutch anti-apartheid group, claims that "it would be facile to suggest that *all* South African investment in the UK would be geared to sanctions busting or that *all* the companies involved would go down this road.

"But it would be equally foolish to ignore the potential role they could play."

The ultimate parent of much of Sonth African business abroad is often related to the vast Oppenheimer empire, or can be traced back to the giants of the Afrikaner business world, such as Sanlam, Old Mutual, or Rembrandt, the study claims.

Top of the list of South African companies with strategic investments in the UK is Anglo American, and its related companies, inclnding de Beers, whose main UK operation, the Central Selling Organisation, is ultimately linked to 80 per cent of the world's diamond output.

In terms of tangible assets, Anglo is by far the largest South African investor in the UK with a figure estimated at $1.8bn.

The second giant of the Sonth African business community, Federale Volksbeleggings, is also a large UK investor.

Its main operating company is the General Mining Union Corporation (Gencor), and its interests in the UK are held via Unilux SA (Luxembourg), which owns Gencor UK. Alongside Gencor UK is Unilon Nominees, a nominee company for Gencor interests.

Activities covered by this network include North Sea oil and gas fields, platinum marketing, mineral trading outlets, and high-tech companies.

One of the first major takeovers of a UK business by a South African company in the 1980s was Barlow Rand's acquisition of J. Bibby & Sons. One of the motives behind ths move, the study alleges, was the need to ensure continued outlets for South African maize exports as well as to secure a stake, albeit small, in the international grain trading market.

Not all the South African investment in the UK is channelled by way of industrial conglomerates.

Much of it stems from the investment holding companies which are so popular in South Africa.

One example the study selects is Liberty Life. The main vehicle here is TransAtlantic Holdings. It has substantial interests in Capital & Counties, Continental & Industrial Trust and Sun Life.

Sontb African interests in the sensitive fields of electronics and computers comes through the Ventron Corporation and its subsidiaries, which have interests in the UK companies Peek Holdings, which in turn has acquired Sarasota Technology, manufacturer of electrical instruments; and Telemetrix, maker of graphic design equipment.

One of the best known South African companies is the Rembrandt Group, controlled by Anton Rupert, South Africa's leading Afrikaans businessman.

Rembrandt has two principal involvements in the UK, although the company is establishing a larger base elsewhere in Europe. It is a major shareholder in Rothmans International, the tobacco group.

One of the most interesting of recent South African acquisitions, the report says, is Ryan International, a trader in coal, a commodity which is one of the main targets of the sanctions lobby.

The principal shareholder is Saratoga Resources, based in the Netherlands Antilles.

A pattern emerges, concludes the study, of South African involvement in the marketing of some of the country's main sxports and access to strategic imports, in addition to straightforward commercial reasons for investment in the UK and elsewhere.

South African Investment in Britain, Brian Bolton, ISKRA Research, 56 Old Road, Bromyard, Herefordshire, HR7 4BQ. Tel: 0885-488077.

INTERNATIONAL COMPANIES AND FINANCE

KDI agrees to $184m buyout by management

By Roderick Oram in New York

KDI, a manufacturer of swimming pools, electronic components and other equipment, has agreed to a $184m buyout led by Mr Eugene Cafiero, its chairman and a former pre-Iacocca president of Chrysler Motors who also ran the De Lorean car plant in Belfast.

As part of the deal, Ariadne, the Australian crash-hit investment company, has agreed to sell its 49 per cent stake in KDI to the buyout team.

Ariadne took the stake in late 1986 and replaced the entrenched management with Mr Cafiero and a team of his long standing associates.

Ariadne signed a standstill agreement with the Cincinnati company in January at which time Mr Cafiero became chief executive of both concerns.

Following the news that KDI's management would offer $19 a share, the stock rose $¾ to $18⅝. In a recent research report, Mr Gerald May, a PaineWebber analyst, estimated that the company's break-up value was at least $20 a share.

Equity funding for the deal will be provided by the management group and Wasserstein, Perella, the leveraged buyout specialists. Merrill Lynch will provide $105m of bridge financing pending a public debt issue. Manufacturers Hanover will provide $150m in senior financing and $20m of working capital. Salomon Brothers will review, but not, apparently, seek, alternative offers.

Mr Cafiero, 61, and his a team have restructured the diverse group which earned net profits of $12.3m, or $1.27 a share, on sales of $314.9m last year. PaineWebber forecast earnings per share of $1.50 this year and $1.80 next year.

Mr Cafiero, who has extensive options to buy KDI's stock at up to $2.50 a share below the offer price, and his management team first said in June that they were considering actions such as a buyout.

Among other activities, the company is the largest US maker of in-ground swimming pools and related equipment. It built 120,00 last year, taking its total population to nearly 2.8m.

Digital in technology accord

By Louise Kehoe in San Francisco

DIGITAL EQUIPMENT, the second largest US computer manufacturer,is planning a new range of high performance workstations based on technology acquired from Mips Computer Systems, a California semiconductor manufacturer.

The move is seen as a bid to fend off competition from Sun Microsystems and Apollo Computer and marks a significant departure from Digital's VAX computer architecture.

Digital announced yesterday that it has signed a "comprehensive technology exchange agreement" with Mips for reduced instruction set computer (Risc) technology and designs developed by Mips. Digital also acquired a 5 per cent stake in Mips.

Mips is one of several US semiconductor manufacturers,including Motorola and LSI Logic, that are competing in the emerging market for very high performance Risc microprocessors.

Risc represents a major new trend in computer design. In contrast to established microprocessor designs, Risc chips are streamlined to process a reduced set of simplified instructions at very high speed.

According to industry analysts, Digital had been developing its own Risc microprocessor, but shelved the project several months ago, under competitive pressure, to rush a Risc workstation on to market.

Digital will launch its first Risc workstation, based upon Mips chips, early next year, analysts predicted. The endorsement of the second largest computer manufacturer is seen as a major boost for Mips in the increasingly competitive Risc chip market.

Other major players in the Risc market battle include Motorola, which recently launched a high performance Risc processor and Sun Microsystems, which has licensed its Risc design to several semiconductor manufacturers including LSI Logic and Texas

Mr William Strecker, Digital's vice president, products strategy and architecture, said:"With the addition of Risc technology, Digital will offer customers even more versatility in compute performance to match specific application demands."

Venezuelan airline improves sharply

By Joseph Mann in Caracas

VIASA, Venezuela's state-owned international airline, reported its best financial results in more than a decade, with net profits for 1987 of $10.6m on revenues of $386.6m.

The airline suffered losses from 1979 through 1985, and registered a $7m profit in 1986.

Mr Luis Ignacio Mendoza, Viasa's president, said the airline's operating profits last year were $29.6m. He added that the company planned to buy a DC-10 in 1989, and was considering buying other passenger aircraft, either DC-10s or MD-11s, for 1990 or 1991.

The airline, which flies to the US, Europe and Latin America, carried 554,741 passengers last year, against 490,747 the previous year.

Under Mr Mendoza, who became Viasa's president in 1984, the airline's service and financial performance have improved dramatically.

Despite stiff opposition from unions and some politicians in the government party, Mr Mendoza has raised productivity, straightened out the company's finances and improved service.

He has also closed down several of Viasa's overseas offices and upgraded the fleet.

Murdoch to sell 50% stake in Elle

By Our Financial Staff

MR RUPERT MURDOCH'S News Corporation has agreed to sell its 50 per cent stake in the US and British editions of Elle, the glossy monthly fashion magazine, to Hachette, the fast-growing French publishing group. Cost of the deal is believed to be about $150m.

Earlier this week, News Corp said it entered into an agreement to buy Triangle Publications, publisher of TV Guide, tha Daily Racing Forum and Seventeen, for $3bn as previously announced. Mr Murdoch had said part of the Triangle deal would be financed through asset sales.

The US edition of Elle was started in a joint venture between News Corp and Hachette in 1985. Hachette and Mr Murdoch also own Sky magazine in the UK and Premier in the US. The publications were not included in the sale

Mr Didier Guerin, Hachette president, said the group had a good relationship with Mr Murdoch and would continue to work with the organisation through Sky and Premier.

Elle, with a circulation of 700,000, is reckoned to have annual operating earnings of $15m on sales of about $50m.

Hachette said Elle would now be part of Diamandis Communications, which it acquired in June for $712m.

Canadian move by Louisiana Pacific

LOUISIANA PACIFIC, the big US forest products group, has bought just over 10 per cent of Doman Industries, a privately controlled British Columbia timber producer, and is negotiating a possible takeover as part of a major expansion into Western Canada, writes Robert Gibbens in Montreal.

Louisana Pacific, with 1987 sales of US$1.7bn, is also going ahead with a 165,000 tonne yearly market pulp mill in north-eastern British Columbia which is due to go into production in 1991.

The company already operates a lumber mill in northern British Columbia.

S Korean videotape group launches convertible bond

By Maggie Ford in Seoul

THE $30m convertible bond from Saehan Media, the South Korean videotape maker, is the fifth to be issued by a Seoul company and the first for more than a year.

Foreign investors are banned from buying shares on the Seoul stock market except through two funds listed in New York and London, several small trusts and the four existing convertible bonds. Premiums on these instruments have at times reached treble figures as investors, spurred by South Korea's economic boom, have competed wildly for paper.

This year, South Korea is heading for its third successive year of three digit economic growth and most economists expect the 1988 current account surplus to top $11bn. At this pace, South Korea could be a creditor nation within two years having been the world's fourth largest debtor in 1985.

Because of recent losses, few analysts recommend the Saehan Media bond, however. A fire at its biggest plant is expected to cause a loss of at least 10bn Won for 1988. First-half results were 24bn Won in the red on sales down 13 per cent at 69bn Won.

Saehan, which is the second largest videotape manufacturer in the world after TDK of Japan, plans to use the funds raised from the convertible to construct a $100m factory in County Sligo, Ireland.

The bonds' pricing package includes a put option, which along with a coupon of between 1.7 and 2 per cent will produce a yield of 6 to 7 per cent, noticeably higher than earlier South Korean bonds. The conversion premium is expected to be in the 60-70 per cent range.

The lead managers expect Japanese investors to take an interest in the convertible. The bond will be convertible into Saehan equity in 18 months. Analysts point out, however, that without a clear set of rules for foreign investors, this concession might have dubious attractions.

The company has grown rapidly but an expansion in capacity last year coincided with sluggish demand and a decline in dollar prices. Almost half of group sales are in the US, where the company has been affected by the appreciation of the South Korean currency. Labour costs have also been a problem.

Prospects for 1989 suggest a big recovery, however. Some analysts predict 10 per cent sales gains next year.

Honeywell predicts sharp third-quarter reverse

By Our Financial Staff

HONEYWELL, the US electronics group, expects third-quarter earnings to "decline substantially" from the $70m, or $1.59 a share, reported a year ago, largely because of additional charges at its Defense Avionics Systems division, the former Sperry Military Avionics unit acquired from Unisys Corporation in December 1986.

The company also said it was likely that earnings will decline for the full year. Honeywell reported net income of $253.7m, or $5.75 a share, for 1987, on sales of $6.68bn.

The company said the results in its three other major businesses, as well as the Commercial Avionics and Space Systems groups, and the space and aviation systems business have been excellent so far this year. All are expected to report record profits for the full year and, in total, account for about 80 per cent of Honeywell's sales.

But the company said that "a continuing examination by a new management team found that inadequate contract cost recognition practices and asset write-offs at its Defense Avionics Systems division were deeper than originally thought."

Honeywell took a $27m after-tax charge in the second quarter.

Cement group ready for new mix

Robert Gibbens on N American moves by Swiss-based Holderbank

HOLDERBANK IN NORTH AMERICA

	N.American cement capacity (m tonnes)	Holderbank's cement capacity (m tonnes)	Sales of cement and clinker (m tonnes)	Personnel
1983	72.9	6.60	4.64	3003
1984	79.6	7.25	6.61	3296
1985	83.3	7.75	6.87	3198
1986	87.8	7.75	7.79	3580
1987	91.1	13.00	12.20	5305

Source: Holderbank

Holderbank, the Swiss-based group which is now the world's largest cement producer with operations in more than 70 countries and a total capacity of 45m tonnes, is on the move again in North America.

In 1971, Holderbank decided to enter the fast-growing Canadian market, setting up St Lawrence Cement and building its first plant at Quebec City.

Next came a bigger plant in booming Toronto and the launch of exports to the north-eastern US to help balance Canada's construction cycle. St Lawrence rapidly expanded into ready-mix and concrete products and bought another cement manufacturing plant near Montreal and a construction subsidiary in Toronto.

Then came a sharp reversal in St Lawrence's fortunes during the 1982 recession, when operating rates in Canada slipped almost 50 per cent. However, the recovery has been swift and St Lawrence is now operating flat out at all three Canadian cement plants and its two US cement plants, with total capacity of nearly 5m metric tonnes.

Holderbank is now Canada's second-largest cement manufacturer after Lafarge and is the leader in eastern Canada.

It markets through 34 distribution centres in eastern Canada and the north-eastern US and has 64 concrete products plants and 18 quarries, plus a civil engineering subsidiary.

However, St Lawrence is staying out of the western Canada market where Lafarge and the Belgians are dominant but, with St Lawrence's expanding presence in the north-east, Holderbank has the US market covered, except California, through its US subsidiaries including Ideal Basic Industries.

Confident of its 30 per cent market share in Ontario, 40 per cent in Quebec and 25 per cent in the north-eastern US, St Lawrence now plans a US$200m cement plant at Hudson, New York State.

The plant will replace an existing high-cost plant and will provide an extra 450,000 tonnes for market growth. It will use coal for energy and the dry manufacturing process.

The Canadian plants will continue to export — cement moves into the US tariff-free and Canada-US free trade will not have any direct impact.

Mr Walter Penny, a chartered accountant who began with the company in 1955, took over as vice-president finance in 1979 and became president in 1981, said that St Lawrence was financially ready for the new US expansion.

The company earned C$77m (US$58m) or C$1.77 a share last year on sales of almost C$700m. In the first half of 1988 profit was C$25.5m or 63 cents a share on sales of almost C$300m. The second half normally produces most of the sales and the profits and the outlook this year is for operation at full capacity and strong profits.

Debt has been sharply reduced over the past two years and the equity base expanded significantly.

Mr Penny said that the size of the US market and the challenge of rebuilding infrastructure in many parts of the north-east justified St Lawrence's investment at Hudson.

St Lawrence will also expand in the aggregates business and is considering diversifying into waste management in Canada or the US, confident it has the technology and the ability to meet environmental standards.

Mr Penny said: "Our policy is to concentrate on keeping our plants modern and low-cost and on continuing our step-by-step growth, particularly in the US."

Low volumes hit Toronto firms

MORE THAN half of the 70 member firms on the Toronto Stock Exchange lost money in the first six months of 1988 and declining late-summer trading volumes are expected to add more firms to these ranks in the third quarter, Reuter reports from Toronto.

The exchange said that 45 brokerages had posted losses during the half-year, up from 39 during the first three months of the year. There were only six money-losers in the first half last year. Overall profits in the second quarter plunged to C$9.6m (US$7.8m) from C$87m in the same quarter last year. Brokerage houses posted a first-quarter 1988 loss of C$7.8m.

Analysts say the second-quarter profit this year is not indicative of the industry's health, since only 25 of 70 firms posted gains in the half-year. For example, RBC Dominion Securities alone recorded profit of C$9m in the quarter ended June 30.

The volume of shares on the exchange has been unusually low even for traditional summer doldrums. A total of 829m shares traded hands in July and August on the Toronto exchange, down from 1.22bn shares for the 1987 period. Mr George McGough, president of Prudential-Bache Canada, said: "It's going to be tough for the majority of firms to turn a profit this year."

Canadian brokerages have been selling more instruments related to real estate and ones providing fixed income, such as bonds and certificates of deposit, to help to recoup some of the lost revenues from slow equity sales.

Mr McGough said that at Prudential-Bache Canada, one of the nation's 10 largest securities firms, fixed-income orders had jumped 1,000 per cent over the past 10 months. Most of these were for government and corporate bonds.

The firm's revenues from fixed-income instruments had risen 292 per cent in the first eight months of the year over the same period last year, he said. Its business from trading in equities had declined 48 per cent in that period.

He said that he expected volumes in New York and Toronto to rise once investor confidence was restored after the US election in November and the Canadian election, also expected that month.

The decline shadows Wall Street's struggle to regain its footing from the October crash. In the aftermath, trading has been sluggish and stock prices have remained depressed.

Total employment for Toronto Stock Exchange member firms had dropped to 24,274 on June 30 from 24,860 three months earlier, the exchange said.

Exxon in gas holdings switch

By Our Financial Staff

DEUTSCHE ESSO, a wholly-owned subsidiary of Exxon of the US, plans to take over three West German holdings from its parent to consolidate its position in the country's natural gas market.

At the end of 1988, Deutsche Esso will take over Exxon's 25 per cent stake in Thyssengas, its 16.6 per cent stake in Mittelrheinische Erdgastransport and its 25 per cent stake in Süddeutsche Erdgastransport.

The stakes will be transferred as non-cash capital contributions. Deutsche Esso has been responsible for looking after the three holdings in the past.

Thyssengas, 50 per cent owned by the West German utility Viag and 24 per cent held by Royal Dutch/Shell Group, delivers gas to the main local authority gas suppliers and large industrial gas users in North Rhine Westphalia, West Germany's most populous state.

The other two are pipeline companies, which transport natural gas for their owners and run parts of the country's north-south natural gas pipe systems.

The two companies' other shareholders apart from Exxon are Ruhrgas and Shell.

Triumph closure

TRIUMPH ADLER, the wholly-owned West German subsidiary of Olivetti, is to close its West Berlin typewriter factory soon to eliminate surplus *capacity, Reuter reports.*

The company said it will sell the plant to Tornado Antriebstechnik, a lift apparatus manufacturer, which agreed to employ about 30 of the 200 employees affected.

Hero Konserven acquires Delta Dailyfood

By Our Financial Staff

HERO KONSERVEN Lenzburg, the Swiss foods group, has acquired Delta Dailyfood Holding, the Dutch food producer and distributor.

Hero, which will assume full control of Delta Dailyfood *on January 1, declined to specify the price it paid to Mr F. Th. Aaldering, the founder,* director and former owner of the company. Hero said it had reached a long-term management agreement with Mr Aaldering, who will remain with the company.

Delta Dailyfood, which employs 130 people, is expected to generate sales of SFr15m ($9.5m) in 1989. Hero achieved a 46 per cent rise in net profits in 1987 to SFr31m.

Philips applies for Tokyo Stock Exchange listing

By Laura Raun in Amsterdam

PHILIPS, the Dutch electronics group, has applied for a listing on the Tokyo Stock Exchange in line with efforts to strengthen its activities in the Far East.

Mr Cor van der Klugt, the chairman, explained in Tokyo yesterday that Philips wished to link its direct capital investment with the most important financial market in Asia.

Mr J.H. Goris, another member of the board, said Philips planned to tap the Japanese capital markets and hoped to "acquire the same presence here as we have in other financial world centres."

Asia accounts for only 4 per cent of Philips' assets and 3.5 per cent of sales. As Europe's largest electronics concern Philips intends to expand its Far Eastern activities but has declined to reveal targets.

Mr van der Klugt said: "Today, Philips' position in Japan in relative terms is still too small but I can confidently state that Philips' long-term commitment to the Asian market applies particularly to Asia's major centre of electronic competence – Japan."

Philips has been operating in Japan for more than 35 years and recently extended its co-operation with Matsushita in *MEC, their joint venture.* The Dutch company also has a 50 per cent equity stake in Marantz. Philips' shares are already traded on 18 other stock exchanges around the world.

INTERNATIONAL APPOINTMENTS

Ingersoll to have new chief

INGERSOLL-RAND, the US-based industrial and mining machinery and construction equipment group, will have a new chairman and chief executive from October 1.

He is Mr Theodore H. Black, aged 59, who is taking over the helm from Mr Thomas A. Holmes. The latter is retiring at the end of this month on reaching the company's mandatory retirement age of 65.

Mr Holmes has been chairman since 1981 and has guided the company through the recessionary pressures of 1982-1983 and subsequent restructuring to return it to strong profitability.

Mr Black will retain his posts of president and chief operating officer, to which he was appointed in February this year. He joined the company in 1957.

* * *

AT PRICE Waterhouse, a leading worldwide organisation of accountants and business advisers, Mr Joseph E. Connor has become chairman of Price Waterhouse World Firm and chairman of a newly created 15-member World Management Committee, which will lead the world organisation.

Mr Connor's previous position was senior partner of the group's US sector. He now succeeds Mr Michael Coates, who has retired after a long career with PW in the UK.

Mr Coates joined the group in 1942, became UK senior partner in 1975 and chairman of the World Firm in 1982.

In 1956, Mr Connor commenced his career with PW in the New York office and was admitted to the partnership in 1967. He became chairman of the policy board and also the senior partner in 1978.

* * *

SOUTHWESTERN Bell, one of the seven US regional companies spun off from AT & T in 1984, has chosen Mr Edward E. Whitacre Jr to take over from Mr Zane E. Barnes as chairman and chief executive when the latter retires in December next year.

In the meantime, Mr Whitacre, 46, has been elected to newly created roles of president and chief operating officer, with effect from October 1 this year, to position him for the ultimate move to the top.

He will now have operational responsibility for all of the corporation's primary subsidiaries, and is switching from the posts of vice chairman and chief financial officer.

Also from the beginning of next month, Mr Gerald D. Blatherwick, vice chairman in charge of human resources and corporate communications, will in addition be responsible for the company's government relations operations in Washington, D.C.

Mr Robert G. Pope, currently vice chairman with responsibility for corporate development, will assume the post of chief financial officer as well.

* * *

INTERNATIONAL Paper, which is leading a vigorous revival in the US pulp and paper industry, elected Mr Robert C. Butler senior vice president and chief financial officer.

Mr Butler, former executive vice president and chief financial officer of National Broadcasting, succeeds Mr Richard M. Harris, who left last year to join A. Johnson & Co.

* * *

PNC Financial, third largest US bank in terms of market capitalisation, has elected Mr Robert E. Chappell as a vice chairman and a director.

He succeeds Mr Roger S. Hillas, who retired in June. Mr Chappell, who is 43, is chairman, president and chief executive of Philadelphia-based Provident National Bank, an affiliate of PNC.

* * *

TRANS WORLD Airlines's executive vice president Mr Morton Ehrlich has resigned to pursue his ambition of participating in ownership and management of a travel-related business, reports Reuter.

Mr Carl Icahn, TWA chairman, and Mr D. Joseph Corr, president, said that Mr Ehrlich contributed to TWA's turnround to profitability.

INTERNATIONAL COMPANIES AND FINANCE

Family bid to gain control of Carter Holt

By Terry Hall in Wellington

THE CARTERS, one of New Zealand's business dynasties, are moving to gain effective control of the company they built up over three generations after years of fending off potential marauders.

The company, Carter Holt Harvey, is fourth biggest in capitalisation on the New Zealand stock market and has extensive interests in New Zealand forestry, building supplies and forestry investments in Chile and Australia.

In a financial restructuring proposal revealed earlier this week, twin brothers Richard and Kenneth Carter, the third generation to head the group, plan to gain control of 26.4 per cent of the capital by buying all the shares in the company's employee trust.

This will give them control as they have a long and close relationship with the National Mutual, Australasia's second biggest life assurance company. The NML controls an estimated 25 per cent of Carter Holt Harvey.

The Carter family has worked hard to develop the organisation from tiny beginnings but up until now has controlled less than 2 per cent of the capital.

The brothers are proposing to buy the shares from the employee trust which is in effect a defensive shareholding. The parcel of shares had been built up by potential raiders including Equiticorp and were passed to Carter Holt control at around NZ$3.50 (US$2.2) a share last year in the height of the bull market.

Today Carter Holt's shares are trading at about NZ$1.75 and the Carters say they are concerned about the substantial loss the employees' scheme is showing. They are offering to buy the shares at NZ$3.61 a share or more than twice current market valuation. This will cost NZ$147m under an interest-bearing deferred payment scheme over two years and three months.

Under the proposal the brothers will also inject a further NZ$130m in return for a placement of 88m shares. This means the brothers are paying NZ$277m for control.

The arrangement will ease pressure on the two who have fought a succession of battles to ensure their company's continued independence.

The most desperate was a bid by Fletcher Challenge in 1980 which ended in FCL agreeing to withdraw its bid in a protracted Commerce Commission hearing.

There are still many unanswered questions about the deal, including where the money is being borrowed to finance the Carter purchase.

The cash injection will improve the company's gearing from 28 to 39 per cent.

The company's earning in the last full year ended March 31 fell 6.8 per cent to NZ$41.4m. Carter blamed the Labour Government's economic policies

Fletcher seeks to take over Feltrax

By Terry Hall in Wellington

FLETCHER Challenge (FCL), New Zealand's biggest company, has signalled its expansion aims again by seeking ownership of Feltrax International, the industrial group. Purchase of Feltrax would cost FCL an estimated NZ$750m (US$276m).

FCL has applied to New Zealand's Commerce Commission to take over Feltrax, the industrial arm of Mr Allan Hawkins' Equiticorp group. Feltrax, which has assets in New Zealand, Australia and the US worth NZ$2.3bn, is on the market because of Equiticorp's need to reduce debt.

Mr Hugh Fletcher, FCL chairman, said that approval was being sought to ease regulatory issues in negotiations with Equiticorp, the owner of 80 per cent of Feltrax.

FCL's application comes less than two weeks after Mr Hawkins, Equiticorp's chairman, said he had been approached by investors, including investment bankers and brokers interested in Feltrax.

Mr Hawkins said yesterday it was inappropriate for him to comment on the FCL move. FCL said it had been looking at Feltrax for some time.

For FCL, the jewel in the Feltrax crown would be New Zealand Steel, which would sit neatly with its own steel operation. FCL unsuccessfully tendered for the Government's stake in New Zealand Steel last year.

Feltrax also has substantial building industry investments. Equiticorp's stake in Feltrax is worth just over NZ$600m based on yesterday's closing price of NZ$2.55, but Equiticorp is expected to seek a premium.

Though Feltrax has yet to publish its annual report for the year ended June 30 year – including results for New Zealand Steel for the first time – it is estimated to have shareholders funds of NZ$787m with total assets of NZ$2.28bn. Earlier this month Feltrax reported a 3.2 per cent improved net profit of NZ$75.8m for the year ended June 30.

David Owen in Toronto writes: FCL is also poised to expand its US construction interests by acquiring an unnamed West Coast concern.

The New Zealand company, which this week listed its shares on leading Canadian stock exchanges, already owns construction companies in Seattle and Hawaii.

FCL, which recently combined its North American forest products interests under one management, expects to save about C$40m (US$32.7m) pre-tax from the subsequent rationalisation process.

Fletcher owns 100 per cent of Crown Forest Industries and 69 per cent of British Columbia Forest Products, now renamed Fletcher Challenge Canada.

Dairy Farm jumps by 77% to HK$305m

By Michael Murray in Hong Kong

DAIRY FARM International, the Hong Kong food manufacturer and retailer within the Jardine Matheson Group, has reported a 77 per cent increase in net profits from HK$172m (US$13m) to HK$305m for the six months ended June 30.

Group sales rose by 27 per cent to HK$7.64bn.

Included in the figures for the first time was a half-year contribution from Dairy Farm's interest in Kwik Save, the UK food retailer, 25 per cent of which it acquired in June 1987.

Earlier this year, Kwik Save reported a 9.9 per cent increase in net profits to £15.5m for its own half-year ended February 28, which would have translated into about HK$208m at June 30 exchange rates.

Mr Simon Keswick, Dairy Farm's non-executive chairman, who left his position as Jardine's *Taipan* earlier this year, said yesterday that 1988 had started well, with eight new retail outlets completed in Hong Kong.

The company operates more than 130 Wellcome supermarkets in the territory, in addition to its Mannings drugstores and Maxim's restaurants.

In Australia, Dairy Farm operates the Franklins supermarket chain and the Downtown Duty Free off-airport duty free shops.

Franklins is the largest supermarket chain in New South Wales, and operates according to the same "no frills" philosophy as Wellcome in Hong Kong and Kwik Save in the UK.

In China, Dairy Farm has a joint venture ice cream factory under construction; a similar operation there is already running profitably.

Mr Keswick reported that progress at Ding-Hao Wellcome, the new ventura in Taiwan with seven supermarkets open so far, was pleasing.

The directors have declared an interim dividend of 7 cents per ordinary share, up from a previous 5 cents, reflecting the enlargement of the company's share capital in July 1987.

Dairy Farm's profits tend to be weighted towards the second half of the year, and for 1987 net profits were HK$457m after clocking up HK$172m at the half-way stage.

Dairy Farm was floated independently in Hong Kong in 1986, when it was demerged from parent Hongkong Land by way of a rights issue.

Burns Philp exceeds forecast

By Chris Sherwell in Sydney

BURNS PHILP, the diversified Australian-based manufacturing and trading group, yesterday announced its second scrip issue in four months after reporting a higher-than-forecast 28.5 per cent increase in earnings for the year to June.

After-tax profits rose to A$58.6m (US$46.5m) after minorities, and there was a further equity-accounted contribution of A$16.1m. The record total of A$74.7m, which compared with A$58.2m last year, reflected strong performances from all divisions.

The group's one-for-five scrip issue follows a similar issue in May. The new shares will be eligible for the 5 cent final dividend recommended by the directors, which will be franked to 25 per cent for tax purposes. The interim dividend was also five cents.

The result represented Burns Philp's fifth consecutive annual increase in earnings, and came despite the stagnation of revenues over the same period at A$1.2bn-A$1.3bn. Even the latest year's sales of A$1.33bn were up a meagre 5.5 per cent, but the group says they will reach A$1.6bn this year and sees profits rising further as the benefits of a series of recent acquisitions come through.

These acquisitions include three fermentation companies in Italy and the US bought from Fermenta of Sweden. Yesterday the group announced extraordinary losses of A$80.2m which sprang principally from a goodwill write-off arising from that deal.

A breakdown of turnover and earnings showed the biggest contribution again came from the food and fermentation division.

The division's sales rose to A$521m from A$396m, and operating profit to A$31.7m from A$25.3m. The group has 25 per cent of the US yeast market, and it claims to provide yeast for one in eight of the world's population.

The buoyancy of Australia's construction and manufacturing sector helped the group's hardware and shipping and trading divisions. Hardware contributed A$8.1m in profit on improved sales, while shipping and trading added A$8.8m despite a drop in revenues.

One major contribution to profit was the group's investments, in particular its 36 per cent stake in QBE Insurance and its returns from investing unused proceeds of a convertible note issue. Earnings of A$18.5m came from these sources.

The Pacific division, covering the group's well-known interests in the South Pacific region, brought in a higher profit of A$7.6m on lower turnover, but continued to underperform. Burns Philp receives 55 per cent of its sales from abroad and about 65 per cent of its profits.

San Miguel income passes 1bn pesos

SAN MIGUEL, the Philippines' largest company, yesterday reported a rise in net income for the first half of 1988 from 796.3m pesos ($39.1m) to 1.01bn pesos and sales up from 7.36bn pesos to 10.19bn.

The company expects growth rates in sales and net income to continue.

Toyota Motor earnings rise 19.3% to Y310.9bn

By Our Financial Staff

TOYOTA MOTOR, Japan's leading car maker, yesterday reported a 19.3 per cent rise in consolidated net earnings to Y310.9bn ($2.3bn) from Y260.7bn for the year ended June 30.

Sales rose 8.1 per cent to Y7,216bn from Y6,675bn, and pre-tax profit jumped 21.6 per cent to Y610.2bn from Y501.8bn. Nat earnings per share rose to Y116.58 from Y97.79.

Tha consolidated results were based on reports from 13 Toyota companies; Toyota reported a 31 per cent jump in parent company pre-tax profits in August.

The company said vehicle production for fiscal 1988 was 3.85m units, up 5.8 per cent on the previous year.

Toyota attributed its performance to a strengthening of its passenger vehicle product line, highlighted by model changes for its Crown, Corona, and Carina models.

It noted a drop in US sales, which was offset by increased sales in South East Asia and Middle East. Total overseas sales were 1.86m units, down 47,115 units or 2.5 per cent compared with the previous year. Domestic sales gained 12.9 per cent to 2.01m units.

The ratio of total exports to total sales was 48 per cent, down 3.7 per cent from a year earlier. Toyota said total sales from motor vehicles rose 6.5 per cent to Y5,218bn from the previous year.

Canadian borrowers respond to good retail demand

By Dominique Jackson

TWO NEW Canadian dollar Eurobonds were launched yesterday in response to persistent retail demand in continental Europe, while elsewhere on the primary Eurobond market, the World Bank tapped both the D-Mark and the Finnish markka sectors.

Secondary markets were generally quiet with little genuine two-way business in the mainline sectors. The lower than expected rise in the US August consumer price index provided dollar-denominated bonds with an initial boost but caution soon set in and most prices slipped from early highs.

UBS Securities was the lead manager on a C$75m five-year issue carrying an attractive 11 per cent coupon and priced at 101⅞ for the Coca Cola Bottling System of Canada, which is partly owned by the soft drink group.

The deal was pitched to yield 80 basis points over comparable government bond issues at launch but this spread swiftly narrowed to around 68 basis points as brisk demand took the issue to a bid of less 1.45 towards the end of the trading day, comfortably within its total fees. The lead manager said Swiss-based retail demand appeared to be the driving force. The apparent ease and speed of placement was attributed to the link with Coca Cola, a favoured retail borrower, and to the company's successful European roadshow.

Late in the day, Wood Gundy brought Federal Business Development Bank of Canada to the sector with a C$50m three-year deal at 10⅜ per cent and 101⅛. Although the issue was considered rather small, it emerged a little late in the day for an accurate impression of its reception although demand for the currency is still high and the excellent credit rating of the borrower is expected to boost interest.

Credit Suisse First Boston led the day's sole dollar straight issue, a five-year $100m deal at 9¼ per cent and 101⅝ for Commonwealth Bank of Australia. Fair demand was reported and the issue ended the day well within its total fees.

The coupon on the recent $300m Mitsubishi Electric four-year equity warrant deal via Daiwa Europe was fixed yesterday ¼ per cent lower than indicated at 4⅝ per cent. The issue was still extremely well bid at 104½.

The World Bank issued a DM500m 10-year deal via Deutsche Bank with a 6 per cent coupon and priced at 100⅝. Dealers said the terms were considered a little tough and placement was further compli-

INTERNATIONAL BONDS

cated because the EIB had tapped the sector only the day before. However, it was bid at a discount of 1⅝, well within fees.

The World Bank also tapped the Finnish market with its fourth markka issue, a FM300m seven-year deal at 9⅝ per cent and 100⅛ led by Union Bank of Finland. It was bid at a discount equal to its fees of 1⅝.

Also in West Germany, Deutsche Girozentrale-Deutsche Kommunalbank led a DM100m issue for its own Luxembourg-based subsidiary. The five-year deal carried a 5⅞ per cent coupon and was priced at 101.

Secondary market bond prices were boosted largely by short covering manoeuvres in lowish volume. Longer dated government bonds rose up to 25 basis points while shorter maturities were around 10 basis points better where changed. Euromark bonds were a touch better. The Bundesbank added a net DM2.6bn liquidity with its latest repurchase tender, DM12bn of which was at a fixed rate and DM8.7bn at a variable rate. This buoyed sentiment. The recent new DM2bn federal post office 10-year bond at 6⅜ per cent and par was bid at a discount of ¾ today. Gillette Finance is expected to tap the market shortly with an issue of up to DM250m over five years.

In Switzerland, S G Warburg Soditic led a SFr100m issue with warrants for CIR International, guaranteed by the parent company, Mr Carlo de Benedetti's CIR. The coupon on the five-year issue is indicated at 3 per cent and the warrants are exercisable into shares of two Italian based CIR subsidiaries, machinery and engineering company Sasib and automotive part firm Sogefi.

Union Bank of Switzerland led a SFr41m deal for Denmark's Jutland Telephone. The deal matures in January 1992, carries a 4⅜ per cent coupon and is priced at 100⅝.

Moody's lifts rating on mortgage issue

By Our Euromarkets Staff

MOODY'S Investors Service said it raised an unrequested credit rating it had assigned on a UK mortgage-backed security after the lead underwriter made "significant changes" in the structure of the transaction.

But Credit Suisse First Boston, lead manager of the issue, described the changes it had made as "cosmetic" and said it still did not believe that credit ratings from two separate agencies were needed for issuers of mortgage-backed securities.

The issuer had already sought a credit rating from Standard and Poor's, Moody's major competitor, and had been awarded AA. The issue involved is a £175m floating-rate note issued in February by Mortgage Funding, a special mortgage company managed by Kleinwort Benson, the merchant bank.

Aside from the fact that unsolicited credit ratings are rare – Moody's does so almost only in the case of sovereign borrowers – the move sparked controversy because the rating assigned, A1, was the lowest assigned on any similar issue in the UK.

Some market observers had speculated that Moody's was motivated by a desire to muscle in on a growing area of the Eurobond market where Standard and Poor's has already established its expertise. For its part, Moody's said it acted because it did not believe the credit quality of the securities was equal to that of other similarly rated issues.

Significantly, Moody's said the normal fee associated with credit ratings had been waived. For a structured financing, that fee can be as high as $50,000, an expense that issuers would like to avoid.

CSFB said it agreed to the changes in order to obtain the Aa2 credit rating from Moody's because the lower, unsolicited rating had in fact caused problems for some investors who would have otherwise wanted to buy the securities.

It is not unusual for institutional investors to restrict purchases to securities carrying a minimum AA credit rating.

While there would have been no restriction on purchases of securities that carried only the AA rating from Standard and Poor's, the lower, unsolicited credit rating did make the securities more difficult to sell.

Yugoslav bankers edge towards reform

Judy Dempsey on the dilemma facing financial institutions in a socialist state

A reform of the Yugoslav banking system could provide one of the cures to the ailing Yugoslav economy. But economists and bankers believe that radical and long overdue reforms would result in bankruptcies in the short term and possibly lead to widespread industrial unrest.

According to the Ljubljanska Banka in the Republic of Slovenia, this is a risk that has to be taken if the banks are to become genuinely independent commercial and retail institutions.

Like its political system, Yugoslavia's banking system is both complicated and unique. Compared with the banking system in the rest of Eastern Europe, the banks in Yugoslavia, which consist of associated and branch banks, are not owned or managed by the state. Nor are they privately-run.

In effect, the branch banks are founded and managed by the representatives of socialist-run enterprises.

Such a relationship seems to amount to a kind of share-ownership system, particularly since the banks form their assets from the enterprises' deposits as well as from credits from the central bank and foreign banks.

In most cases, a bank's resources are ploughed back into the enterprises with which it is linked. The bank has little choice since it has few powers. It cannot, for instance, extricate itself from the enterprise or buy out the enterprise or merge with another bank or enterprise. Its assets are not transferable.

Recently, this captive relationship between branch banks and the enterprises has come under scrutiny.

Mr Mladen Stariha, general manager of the domestic money market at the associated bank of the Ljubljanska Banka, a commercial and retail banking institution which, like other associated banks, is not linked to any enterprise, explains what he considers to be the main weakness of the system.

The branch banks, he says, do not have enough control over the enterprises. "It is well known that an enterprise director, who is automatically on the board of the branch bank, will not refuse his own enterprise fresh credits."

Mr Stariha and his colleagues at the Ljubljanska Banka reckon many banks, especially those in the southern and less-developed republics, are in danger of insolvency or illiquidity because they are not obtaining sufficient deposit backing from loss-making enterprises.

Owing to the institutional structures, the branch banks have few options. They can either borrow from other banks in order to lend to "their" enterprise or simply refuse to extend further credits.

Mladen Stariha: recommends autonomy for branch banks

Hence the political factor. No fresh loans frequently means no wages for the workforce, which leads to industrial unrest, possible bankruptcy and growing unemployment.

Economists from Ljubljana say: "It becomes a vicious circle. Because of the close relationship between the branch bank and the enterprise, the branch itself will borrow to save the future of its enterprise which could employ 10,000 workers. But the more the branch bank borrows, the more its liquidity is strained. This is a crude explanation of the Agrokomerc Affair."

The Agrokomerc Affair, which last year rocked the country's financial system, involved the issue of unbacked promissory notes worth $300m. But the affair may have a salutary effect in the long term.

For one thing, it unambiguously exposed the weakness not only of the branch banking system but also of the central bank. It also exposed the potentially corrupting nature of the relationship between the branch banks and their enterprises.

The role of the central bank is to maintain the general liquidity of the banking system but not the liquidity of a particular commercial bank. It acts as a monitor, supervisor and a final guarantor of the banks – a lender at the last resort.

The bank also prescribes the legal reserve of banks for maintenance of their liquidity. At the moment, banks have to deposit 4 per cent of assets with the central bank. However, economists at the Ljubljanska Banka believe the focus by the central bank on general liquidity does not actually indicate the credit-worthiness of an individual branch bank.

Mr Stariha says: "You can see why. If the enterprise has no deposits/assets to give to the bank, then the bank has to look elsewhere to lend to the enterprise." He adds that the balance sheet ratios prescribed by the central bank do not show this lack of credit-worthiness.

Mr Stariha and several economists recommend major changes. They would like to see the enterprise stranglehold on the branch banks broken and autonomy for branch banks.

Such a breach would inevitably lead to considerable political upheaval – not least because certain corrupt and vested interests between the local enterprise manager and the branch bank would be punctured if not exposed. The Agrokomerc Affair clearly pointed in this direction.

Since the Agrokomerc Affair, the central bank has tightened credit controls. But economists also want the central bank to demand more detailed information about the day-to-day financial affairs of the branch banks.

Bankers from Slovenia feel confident that reforms will eventually see the light of day.

Dutch banks set up Fl 50m investment fund

By Our Financial Staff

THE BIG Dutch commercial banks have formed a Fl 50m ($23.8m) investment fund aimed at bolstering the assets of Amsterdam's jobbing firms and allow them to comply with new stock market solvency requirements.

The fund was set up at the request of the Dutch jobbers' association, Capital could be raised to Fl 100m. It will buy bonds convertible into a maximum of 49 per cent of the jobbing firms' equity.

From the start of next year, solvency requirements for jobbers will be raised to 25 per cent of their risk-bearing portfolio from 10 per cent currently.

In the first nine months of 1988, seven jobbing firms have been swallowed up in mergers and takeovers and bourse observers expect further rationalisation, possibly involving three more jobbing firms.

Dealing volume on the bourse has been extremely low.

Guinness in £700m credit

By Our Euromarkets Staff

GUINNESS has mandated J.P. Morgan Securities to arrange a £700m five-year multiple option facility, reviving financing plans which were abruptly halted a year ago.

In August 1987, Guinness had been seeking to award a mandate for a $1bn five-year bullet facility but abandoned its fund-raising plans in irritation after news of its efforts were published in the financial press.

Their facility incorporates a £350m committed revolving facility which carries a margin of 10 basis points over London interbank offered rates (Libor) for the first 50 per cent of the funds utilised. Thereafter, the margin rises to 12½ basis points. There is also a facility fee of 6¼ basis points and front-end fees, the terms of which were not disclosed.

The facility also incorporates an uncommitted tranche under which Guinness can borrow up to £700m through bank advances and sterling and dollar bank acceptances.

Austrian sell-off attracts much foreign interest

By Jeffrey Brown

POSSIBLY AS many as a fifth of the shares in Verbundgesellschaft being floated on the Vienna bourse could end up in foreign hands, according to Girozentrale, the bank handling the privatisation of the state electricity utility.

Girozentrale, which is to float 49 per cent of the utility on to the bourse in late November, said in London yesterday that between 15 per cent and 20 per cent of the issue would be reserved for international investors.

Verbund supplies around half of Austria's electricity needs. Its partial privatisation to raise around Sch5.6bn ($425m) will represent Austria's biggest equity issue. Fully capitalised, the company represents around 5 per cent of the total value of the Vienna bourse.

Credit Suisse First Boston have been called in to help handle the international tranche. The flotation offers an issue yield of around 4.5 per cent, some 1.5 percentage points over the Austrian bourse average for listed industrial companies.

The issue price of between Sch335 and Sch375 a share is to be fixed around the middle of November. Payment will be 50 per cent on application with the balance spread over a run of some 18 months. The bonus share element open to Austrian investors will also apply to the international tranche.

Verbund, which operates the national grid system and gets around 90 per cent of its electricity from hydroenergy, made a profit last year of Sch1.2bn. According to the prospectus, due to be published soon, tax factors will check Verbund's profits growth this year and in 1989.

Girozentrale said it was keen to see a wide spread of shareholders for Verbund. The bank plans to float another utility later this year and is working on the public issue of two industrial companies early in 1989.

Fairfax debt move

AUSTRALIA & New Zealand Banking Group and a consortium of banks led by Citibank and Drexel Burnham are to restructure the outstanding long-term borrowings of John Fairfax, the Australian media group. The financing package will enable Fairfax to retain control of its prime publishing assets.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on September 21

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	†93¾	94⅛	+0⅛	+0¼	9.57
All Nippon Air 9⅛ 97	100	†95	95½	0	0	10.21
Amer. Brands 8⅞ 92	150	†97¾	98¼	0	0	9.30
A/S Eksportfinans 7¾ 93	100	†93¾	94¼	0	0	9.10
A/S Eksportfinans 7¾ 92	150	94¼	94¾	0	0	9.31
Barc. Bk. Fin. 10¼ 89	200	†100½	101	0	0	9.50
B.F.C.E. 7 92	150	93¼	93¾	0	−0½	9.21
British Telecom 7⅛ 96	250	90¼	90¾	0	0	9.38
Cal.Natl.Telecom 8½ 93	160	†98¾	98¾	0	0	8.90
Canada 9 96	1000	99¼	99¾	+0¼	−0½	9.08
Canadian Pac 10¾ 93	100	†102½	103½	0	+0½	9.90
C.C.C.E 7⅛ 91	113	†93¾	94¼	0	0	9.44
C.C.C.E 9⅜ 95	300	99¼	99¾	0	−0½	9.36
C.N.C.A 7¾ 91	150	94½	95	0	−0⅛	9.17
Credit Lyonnais 9 91	200	†100¾	101¼	0	+0¾	8.43
Credit National 8¾ 93	200	96¼	96⅝	0	−0⅜	9.23
Credit National 7¾ 92	100	94¾	95¼	+0¼	−0⅞	9.04
Credit National 7⅛ 91	150	†95½	96	0	0	8.79
Denmark 7⅛ 92	500	†95¼	95¾	0	+1	8.66
E.E.C. 7 91	100	94½	95⅛	+0¼	−0¼	8.89
E.E.C. 7¼ 93	250	93¼	93¾	+0¼	−0¼	9.10
E.E.C. 8 90	350	98¼	98¾	0	−0⅛	8.97
E.I.B. 7¾ 93	100	93¾	94¾	0	−0¾	9.10
E.I.B. 9⅞ 97	150	99⅞	100⅜	+0⅛	−0⅛	9.35
Elec. De France 9 98	200	96¾	97¼	+0⅛	0	9.48
Finland 7¾ 97	200	90¼	90¾	0	0	9.56
Finland 7⅛ 93	200	93¼	93¾	0	−0⅜	9.18
Finn.Exp.Cd. 8½ 92	200	97⅝	98⅛	0	−1¾	9.21
Ford Motor Credit 8 91	250	97¾	98¼	0	−0⅜	8.89
Gen Elec Credit 10¼ 00	200	100⅛	100⅞	+0⅛	0	10.14
G.M.A.C. 8 89	250	†100⅝	101⅛	0	+0⅛	0.07
Gen.Mtrs.Corp. 9⅞ 92	200	99⅝	100⅛	+0¼	+0¼	9.15
Halifax BS 9½ 93	200	†100	100½	+0¾	−0¼	9.41
Hoesch 8¼ 97	100	†94¼	95	0	0	9.15
Italy 9 90	1000	†101¼	101¾	0	+0¼	8.09
L.T.C.B of Japan 8 91	100	97½	98	−0⅛	−0⅜	8.90
L.T.C.B. of Japan 8 97	200	90¼	90⅝	+0⅛	−0¼	9.72
Mercds-Benz Cd. 8½ 95	100	†96¾	96¾	0	0	9.23
Metropolis Tokyo 9½ 93	200	101¼	101¾	+0¼	−0⅛	9.04
Morgan Guaranty Tst. 7 90	150	†98½	99	0	+0¼	7.88
Norway 8⅛ 93	500	98⅞	99⅜	+0⅛	0	8.97
Pepsico Inc 7⅞ 93	200	†93⅛	93¾	0	−0⅜	9.10
Portugal 8¼ 91	300	†98¾	99¼	0	0	8.67
Prudential Crp. 8⅞ 94	125	98¼	98½	0	+0⅜	9.14
Qantas Airways 10⅜ 95	140	104	104½	+0¾	−0⅜	9.48
Saskatchewan 10¾ 92	100	104	104½	+0⅛	−0⅜	9.21
State Bk S Aust 9¾ 93	100	99⅝	99¾	+0⅛	−0⅜	9.36
Swed Exp Cred 7¾ 91	100	†94½	95	+0¼	−0⅛	9.18
Swed Exp Cred 10 92	100	†102½	103	0	0	9.06
Sweden 7 91	250	95	95½	+0¼	−0⅛	8.84
Sweden 7 92	250	†93⅝	94⅛	0	0	9.15
Sweden 8⅛ 96	200	96½	97	+0⅛	−0⅜	9.35
Sweden 8½ 92	200	†98½	99	0	+0⅛	8.88
Victorian Rep 11⅛ 92	150	106½	107	+0⅜	−0¼	9.30
World Bank 7 92	300	†94⅛	94⅝	+0¾	+0¼	8.99
World Bank 9 97	300	97⅝	98⅛	0	−0⅛	9.36
Yasuda Trust Fin 8½ 93	100	96½	97⅛	+0⅛	0	9.36

Average price change... On day +0 on week −0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	100⅝	101⅛	0	0	5.75
Avis Fin.SVS 5⅞ 92	100	100⅜	100¾	+0⅜	+0¼	5.70
Bank of Tokyo 5⅞ 93	100	99¾	100⅛	+0⅛	−0⅛	5.74
Central BK. Turkey 7 92	200	102½	103	0	0	6.21
Commerzbank o/s. 5⅜ 93	300	98½	99	+0⅛	+0¼	5.70
Degussa Int. 6⅛ 97	200	99⅛	99¾	+0⅛	+0¼	6.29
E.I.B 5½ 98	150	96⅜	96¾	0	−0¼	6.00
E.I.B 6 97	300	99⅝	100⅛	0	−0⅛	6.01
E.I.B. 6½ 96	300	100⅞	101½	0	−0¼	5.94
E.I.B. 6⅛ 97	400	100¼	100⅞	0	0	6.04
E.I.B. 6⅞ 95	300	104⅞	105⅜	+0⅛	+0⅛	5.97
Euro.Coal & Steel 5⅞ 97	175	98⅝	99¼	0	+0¼	6.02
Eurofima 6¼ 96	100	101½	102⅛	0	−0⅜	5.94
Elec De France 5⅞ 97	300	97⅜	97¾	+0⅛	−0⅜	6.12
Forsmark Krtg. 5⅛ 93	200	97¼	98¼	0	+0½	5.64
I.A.D.B. 6 97	200	98⅞	99½	+0¼	+0¼	6.11
Japan Dev. Bk. 5⅛ 95	300	97	97⅜	−0⅛	0	5.86
Japan Finance 5⅞ 97	100	96⅛	97	+0⅛	+0⅛	6.25
Ireland 6½ 97	300	99¼	100¼	0	+0⅛	6.49
Korea Dev BK 6⅜ 93	100	100⅜	101¼	0	−0¼	6.39
Malaysia 6¼ 94	150	99½	100⅜	0	−0⅛	6.30
Nat. West OK. PLC 6 98	300	96⅛	97⅜	0	+0¼	6.42
Nippon Telg.&Tel. 6 95	400	100⅛	100½	+0⅛	+0⅛	6.06
Oesters. Kontbk. 5 93	300	97½	98¼	+0¾	0	5.55
Portugal 5¾ 92	150	99⅞	100⅜	0	−0⅛	5.71
Portugal 6⅜ 95	150	101⅛	102⅛	+0¼	+0⅛	6.25
Privatbanken 5⅛ 93	150	96¾	97⅜	−0⅛	+0⅛	6.03
Royal Insurance 5½ 92	300	99¼	100¼	−0⅛	+0¼	5.49
Soc Cent Nuclear 7⅛ 95	150	103⅝	104	0	+0¼	6.54
Turkey 6½ 95	500	98	98½	0	0	6.83
Westlb. Finance 5 93	300	†97⅜	97⅞	−0⅛	−0⅜	5.64
World BK. 6¼ 97	600	101⅜	101⅞	0	0	5.96

Average price change... On day +0 on week +0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev.Bk. 5 96	150	†101¼	102	0	+0¾	4.72
Asfinag 5 03	100	†100¾	101¼	−0⅜	+0½	4.90
B.F.C.E. 4½ 98	200	†97¾	98	0	0	4.77
B.M.W.Fin.Neth. 5 13	150	†94¼	95	+0¼	+0¼	5.38
Britannia B/S. 4⅛ 94	100	†97½	98	+0¼	+0¼	4.70
CIR. Int. W/W 3 93	125	†101	102	+0¾	+0⅛	2.84
Credit Lyonnais 4¾ 00	100	†97⅛	98	0	+0¾	4.99
E.I.B 4⅝ 98	150	†99¼	99¾	−0⅛	−0⅜	4.69
Fletcher Chall. 4⅞ 98	150	†96½	97	0	+0½	5.31
Kobe City 4¾ 98	150	†98½	99	−0⅛	+0¼	4.79
Leeds Perm. B/S. 4⅛ 93	300	†98½	99	+0¾	+0¼	4.43
Malaysia 5¼ 98	100	†98½	98¾	−0¾	−0¼	5.43
Maxwell Comm.Crp. 5 95	150	†102½	102¾	+0¼	+0⅛	4.53
Nationwide Ang.B/S. 4 93	200	†96¾	97¼	0	+0⅛	4.72
Nippon Telg.&Tel. 4⅜ 95	200	†99½	99¾	0	0	4.31
Oesters.Kibk. 5 03	75	†100	101	+0¼	+1	4.95
Rep.National Bk. 4 93	150	†96	96¼	−0¼	+0¼	4.41
Thailand 4⅞ 95	200	†95	95¼	−0⅛	−0¼	5.50
World Bank 5 03	150	†99	99¾	0	+0⅛	5.08

Average price change... On day +0 on week +0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 5⅞ 92	55	101⅛	101¾	+0⅛	+0¼	5.03
Belgium 4⅞ 94	45	96½	96⅞	+0⅞	+0¾	5.30
Canada 4⅞ 92	80	97⅞	98⅛	+0⅛	+0¼	4.97
Elec. De France 5⅛ 94	20	99⅜	99¾	+0⅛	+0¼	5.22
Ireland 5⅛ 93	30	99	99½	+0⅛	+0¼	5.30
Norway 5⅛ 95	50	98¼	99	+0⅛	+0⅛	5.33
Rep. of Italy 5⅜ 92	150	102⅜	102⅞	+0⅛	+0¼	4.92
Sweden 4⅞ 93	50	97⅛	98	0	+0⅜	5.14
World Bank 5⅜ 92	50	†102	102⅛	+0⅛	+0⅜	4.90

Average price change... On day +0⅛ on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat. BS 10⅛ 93 £	50	97¾	98⅛	0	+0¼	10.85
Alg. Bk. Ned. 5½ 92 FL	150	97⅝	98⅛	0	+0⅛	6.20
Amro Bank 6⅛ 92 FL	150	100⅜	101	0	−0¼	6.06
Aust.Ind.Dev. 12⅞ 93A$	100	†98	98½	−0¼	−0¼	13.35
Barc. Bk. 10⅜ 97 £	250	94¾	95¼	+0⅛	+0¼	11.13
BP Capital 9¾ 93 £	100	95¾	96¼	−0⅛	0	10.87
British Airways 10 98 £	100	93	93½	0	+0¼	11.17
C.I.B.C.Mort. 10⅛ 93 C$	100	†98¾	99⅜	+0⅛	−0¼	10.97
Comm.Bk.Aust. 12¾ 93A$	100	96¾	97¼	0	−0¼	13.42
Coop.Ctr.Rabo. 6¼ 93 FL	100	100⅛	100¾	−0¼	−0⅛	6.10
Coop.Ctr.Rabo. 6 92 FL	200	99⅝	100⅛	−0¼	−0¼	5.99
Denmark 7⅛ 92 ECU	100	100⅞	101⅜	0	+0⅛	7.38
Obions 11 95 £	90	†97½	98	+0¼	0	11.57
Deutsche Bank 9⅞ 97 £	75	†93	93½	+0¼	+0¼	11.12
Deut.Bk.Aust. 12¾ 95 A$	70	98¾	99⅜	−0¾	−0¾	12.94
Eastman Kodak 13 90 A$	100	99	99⅝	−0⅛	−0¼	13.43
E.I.B 8⅛ 93 LF	10	†100¾	101¼	0	0	8.25
Elec.France 10¼ 95 C$	125	†98¾	99⅜	+0¼	+0¼	10.41
Euratom 7⅞ 97 ECU	145	96⅞	97⅜	0	+0⅝	7.88
Eurofima 7½ 92 FL	50	†104½	105¼	0	0	5.94
Fed.Bus.Dv.Bk. 9⅞ 92 C$	75	†98	98⅛	0	−0¼	10.31
Ford Cr.Can. 10¼ 93 C$	100	†100⅜	100⅞	0	−0⅜	10.53
Gillette Can. 9⅝ 93 £	70	91¾	92¼	+0⅛	0	11.80
G.M.A.C. 9¾ 93 C$	150	†96⅞	97⅜	0	+0¼	10.53
G.M.A.C. 9¼ 92 C$	73	†94	95	0	0	11.13
G.M.A.C Aus.Fin. 14 90 A$	50	99¾	100¼	−0⅛	0	13.91
Halifax BS 10⅛ 97 £	100	95⅛	95¾	0	+0¼	11.22
Imp Chem Inds 10 03 £	100	94⅞	94¾	+0¼	+0⅛	10.73
Inv.Industry Int. 10 93 £	60	95⅞	96⅜	0	−0⅜	11.09
Lloyds Bank 10⅛ 98 £	150	93⅞	94⅜	+0⅜	0	11.31
Montreal Tst. 10¼ 99 C$	100	†99½	100	0	+0¼	10.79
Mtge.Bk.Den. 6⅞ 91 FL	100	100⅜	100⅞	0	−0¼	6.44
Nat. West.Bk. 13⅛ 92 A$	50	†97¾	98¾	−0⅛	−0¼	13.75
Nationwide BS 10⅜ 93 £	75	96¼	96¾	0	0	11.11
Ned.Midd.Bank 6 92 FL	150	99¾	99⅞	0	0	6.15
New Zealand 9½ 93 £	100	94½	95	+0¼	0	10.90
New Zealand 7⅛ 93 ECU	200	100	100½	+0⅜	+0¼	7.66
Oesters.Ktbk. 13⅛ 94 A$	75	101¼	102	−0⅛	0	13.19
Prudential Fin. 9⅞ 07 £	150	87⅞	88⅜	+0⅛	+0¼	10.87
Royal Bk.Scot. 10⅝ 90 £	125	95¼	95½	0	−0¼	11.50
Saskatchewan 9⅞ 91 C$	150	†98¾	99¼	+0¼	0	10.27
S.O.R. 7¼ 95 ECU	90	†99⅜	99⅞	+0⅛	+0⅛	7.81
Wstd.Lb.Fin. 12½ 93 A$	50	†99¼	99¾	0	0	12.60
World Bank 5¾ 92 FL	100	99¼	99¾	0	−0¼	5.90
World Bank 13⅛ 92 A$	100	†99¾	100¼	−0¾	−0¾	13.33

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic. Bld 94 £	.08	99.36	99.41	21/01	10.99
Belgium 91 US	0	100.50	100.60	21/02	9
Britannia 5 93 £	0⅛	99.71	99.76	10/10	10.37
Chase Manhattan Crp. 91 US	0¼	99.58	99.75	22/02	8.94
Citicorp 98 US	†0¼	97.45	97.70	30/11	8.94
EEC 3 92 DM	†0	100.92	101.02	22/02	5.63
Halifax BS 94 £	.1	99.62	99.67	9/11	11.16
Int. In Industry 94 £	0	99.91	100.03	24/02	11.87
Leeds Perm. B/S. 94 £	0⅛	99.91	99.96	13/01	10.44
Midland Bank 01 £	.1	94.87	95.87	11/02	11.41
MTR Mtc. Brd. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
State Bk. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Woolwich [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Woolwich [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price change... On day +0.00 on week +0.04

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02 US	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alco Health [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amer. Brands [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ashikaga Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asics 5 92 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CBS. Inc [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fujitsu [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kinki-Sogo [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MCA Inc. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Minolta Camera [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsui Trust [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Next Plc [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nishi Nippon [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Omron Tateisi [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Primerica [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ranks Hovis [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Redland [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saatchi & Saatchi [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Texas Inst. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W.R. Grace [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (three-month; above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date of conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL COMPANIES AND FINANCE

Halpern 'will not split roles' at Burton

By Nikki Tait in London

BURTON, the UK retail group, yesterday hit back at suggestions that Sir Ralph Halpern, its flamboyant chairman and chief executive, might split his twin roles at the company.

The company conceded that it has approached Mr Peter Grant, the former vice-chairman of merchant bank Lazard Brothers and currently chairman of Sun Life, over the possibility of becoming a non-executive director.

But speculation that this might presage Mr Grant's elevation to chairman of the retail group in time, met a rebuttal: "The discussions have nothing to do with Sir Ralph's position as chairman."

Mr Grant, currently in the US, is understood to have written to Sir Ralph yesterday, saying that "in no circumstances" would he be prepared to join the board of Burton without Sir Ralph being chairman and chief executive. "Still less," added Mr Grant's letter, "would I ever regard myself as eligible or available to be its chairman".

The Burton share price has suffered recently. It reached 353p ($6) in June 1987, but fell to 220p after the October crash and has since slipped further to 198p. Yesterday, the company declined to comment directly on whether the potential appointment reflected any disquiet among institutional shareholders.

Burton has been the subject of considerable controversy since its bitterly-fought bid for Debenhams in 1985. Certain accounting treatment, the relatively high pay levels of its executives and its new executive share option scheme attracted extensive comment.

In January, the company also confirmed that it had been asked by the UK Department of Trade and Industry for information concerning acquistions and disposals made during the past three years.

UK PENSIONS SURVEY REVEALS LITTLE INTEREST IN EQUITIES

Schemes favour cash and property

By Eric Short, Pensions Correspondent, in London

CASH and property are still the most favoured investment holdings for controlling British director pension schemes operating on a self-administered basis, according to the latest survey by the Association of Pensioneer Trustees (APT).

Controlling directors and executives can make their own pension arrangements through their own pension scheme, known as a Small Self-Administered Scheme, in a tax efficient manner, while still retaining control of their assets and the investment policy.

However, the board of trustees of such schemes have to include a Pensioneer Trustee approved by the Superannuation Fund Office of the UK Inland Revenue. These persons invariably are the consultants and advisers to the scheme.

In addition, to have control of the investments, which include investment in property associated with the parent company, directors can borrow up to 50 per cent of the assets of the scheme. Indeed, many schemes were originally established for the sole purpose of the company buying its own property on a tax efficient basis.

With these schemes, the members, the trustees and the company are invariably the same people. The SFO has strict rules controlling the investment of the scheme assets, rules that are due to be revised shortly.

The latest APT survey covers some 12,500 funds, of which about one-third are hybrid schemes through a life company, with combined assets totalling £1.7bn ($2.9bn). This in itself shows the widespread use of such schemes.

The outstanding feature of the survey is the low amount invested in equities - 9 per cent held in direct equities and 2.9 per cent in unit trusts.

The local businessman, handling his own investments, still favours the assets he understands - property and cash. The survey showed almost 21 per cent of assets held in property and over 19 per cent in cash. Investment in gilts at 2.9 per cent was also low.

Loanbacks to the parent company account for just over 12 per cent of assets. This proportion has been declining as schemes start to mature, showing that the original fears of possible abuse through loanbacks were unfounded.

Small self-administered schemes can invest in the shares of the parent company, subject to strict safeguards - a useful method where the company is unquoted that enables a member of the family to sell his or her shareholding in the company without the shares going to a third person. Over £9m of the assets - 0.5 per cent - was held in parent company shares.

UK company creditors leave £1bn a year

By Joel Kibazo in London

MORE THAN £1bn ($1.67bn) a year in Britain remains unclaimed because of a casual approach by creditors of liquidated companies, according to a new handbook published yesterday.

The book, by Mr Christopher Morris of Touche Ross, the accountants, shows that in 1987, 14,000 UK companies went into liquidation leaving millions of pounds worth of unpaid bills that were mostly ignored by creditors.

According to Mr Morris 85 per cent of creditors show no interest in chasing debts and are thus effectively disenfranchised.

Mr Morris claims that some creditors do not know how to fill in proxy forms after the failure of a company, while some simply choose the wrong person to represent their interests.

Citing an example, Mr Morris said yesterday: "It is six years since Laker Airways went into liquidation and I am still getting letters from companies who appear to be unaware that the airline is in liquidation and demanding payment."

Mr Morris urges creditors to heve their interests looked after by professional insolvency experts. However, he is not yet satisfied about the effectiveness of Government measures to curb irresponsible and unprofessional activities by insolvency practitioners and says it will take time to sort out the good ones from the bad ones.

Executives 'receive 30% of pay in profit bonuses'

By John Hunt in London

AN INCREASING number of chief executives in the UK are receiving profit related bonuses which now average about 30 per cent of their total pay, according to a pay and benefits report published by Noble Lowndes Executive Compensation Consultants.

It shows that about 55 per cent of chief executives now receive such bonuses compared with 12 per cent who accept bonuses at the discretion of their company.

Those whose bonuses are paid by results receive lower basic salaries than those who go for the safer and more predictable discretionary bonus.

However, the risk pays off because the profit-related bonus is likely to bring gross earnings to a much higher level.

"We believe this is a very healthy aspect of British industry today," said Mr Don McClune, director of Executive Compensation Consultants, a new service launched by Noble Lowndes, the pensions and benefits consultants.

Mr McClune was introducing the service's first report which is taken from a database of 181 companies.

It shows that the company car is still the most widely coveted benefit for executives but that items such as free medicine, telephones and lunches are still widely given.

The report found that the Ford Scorpio was the most popular company car with all executives but that the most popular with chief executives was the Jaguar Sovereign.

More than 60 per cent of the companies provided chief executives with private health insurance with similar cover for their families, about 75 per cent received free petrol, 40 per cent had the benefit of a car phone, 20 per cent had telephone bills paid and 40 per cent have their personal financial counselling paid for.

A surprising number of companies, about 11 per cent, was prepared to give financial assistance to chief executives to buy their personal pension plan outside the company scheme.

According to the report most executives' salaries increased by between 5 and 15 per cent between August 1987 and July this year, a period when the retail price index rose 4.2 per cent.

A breakdown of pay in a typical large company with a £90m ($151m)turnover shows that total compensation, taking into account bonuses and other options, can increase basic salary by about 50 per cent in real terms.

The report shows base salaries for chief executives of £49,540 (but total remuneration of £70,788), head of finance, £34,500 (£53,519), head of manufacturing £32,000 (£48,558), head of personnel £30,990 (£42,779), head of sales and marketing £36,425 (£50,467).

COMPANY NOTICES

ANNOUNCEMENT

Beneficial Trust Limited, the wholly owned subsidiary of Beneficial Corporation USA announces that it has changed its name to

Beneficial Bank PLC

We are also pleased to announce that the Card Centre, headquarters of its Credit Card operations which includes Beneficial Visa, has moved to

Card Centre
The Beneficial Building
28 Paradise Circus
Queensway
Birmingham, B1 2BA

Telephone: 021 633 4400.
Name change effective from 1st September 1988

GENERAL MOTOR CORPORATION

Further to the DIVIDEND DECLARATION OF 31 August 1988 NOTICE is now given that the following distribution will become payable on and after 15 September 1988 against presentation to the Depositary (as below) of Claim Forms listings Bearer Depositary Receipts.

GROSS DISTRIBUTION	6.25 CENTS
LESS 15% U.S. WITHHOLDING TAX	0.9375 CENTS
	5.3125 CENTS PER UNIT
CONVERTED at 1.6965 -	3.13145 PENCE PER UNIT

Barclays Bank PLC
Stock Exchange Services Department
54 Lombard Street, London EC3P 3AH

NOTICE OF REDEMPTION TO THE HOLDERS OF THE LONG-TERM CREDIT BANK OF JAPAN FINANCE N.V. ECU 40.000.000.-11 1/8 % GUARANTEED NOTES DUE 1990 (The "NOTES")

Notice is hereby given that, pursuant to condition 6(B) of the terms and conditions of the Notes, THE LONG-TERM CREDIT BANK OF JAPAN FINANCE N.V. has elected to redeem on 28th october, 1988 (the "redemption date") all of the Notes at 101 % of their principal amount. Interest of the Notes will cease to accrue on and after the redemption date.

The Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the offices of :

CREDIT LYONNAIS, LUXEMBOURG
KREDIETBANK N.V., BRUSSELS
KREDIETBANK S.A. LUXEMBOURGEOISE, LUXEMBOURG

The coupon due on 28th october, 1988, should be presented for payment in the usual manner.

September 22nd, 1988

Crédit Lyonnais Luxembourg
Fiscal Agent

NATIONAL BANK OF CANADA

(A chartered bank governed by the Bank Act of Canada)

US$ 150,000,000
Floating Rate Debentures, Series 7, due 1998

In accordance with the description of the Series 7 Debentures, notice is hereby given that for the six month Interest Period from September 21, 1988 to March 21, 1989 the Series 7 Debentures will carry an Interest Rate of 8[11]/[16]% per annum. The Coupon amount payable on Series 7 Debentures of US$25,000 will be US$1,091.97.

The Reference Agent
KREDIETBANK
S.A. LUXEMBOURGEOISE

RIGGS NATIONAL CORPORATION USD 100,000,000 FLOATING RATE SUBORDINATED NOTES 1996

In accordance with provisions of the Notes, notice is hereby given that at for the period 20 September 1988 to 20 December 1988 the Notes will carry a rate of interest of 8⅝ pct per annum with a coupon amount of USD 216.44.

Chemical Bank
As Agent

COMPANY NOTICES

Compagnie Generale des Etablissements Michelin
FRF 500,000,000
7¼ per cent. Convertible Bonds due 2000
NOTICE OF REDEMPTION

Pursuant to condition 7 (d) of the description of the bonds, the company has decided to redeem all of the outstanding bonds on 11th November, 1988.

As at 9th September, 1988, the conversion rate was 44.20 B shares for each FRF 5.000 principal amount of bonds, the opening price of a B share was FRF 190,10 and the aggregate principal amount of the bonds outstanding was FRF 94,080,000.

The company will issue bonus shares as from 31st October, 1988. As has already been announced, conversion rights will be temporarily suspended from 28th September to 28th October inclusive. On and after 31st October, 1988, the conversion rate will be 48.62 B shares for each FRF 5.000 principal amount of bonds.

The bonds will be redeemed on 11th November, 1988 at FRF 5,150 plus FRF 313.16 of accrued interest per FRF 5,000 of principal amount of bonds.

Bondholders are reminded that, according to condition 6 (a) of the description of the bonds, each bond may be converted into B shares of the company up to an including 11th February, 1989.

PUBLIC NOTICES

BHP

HALF YEARLY DIVIDEND

The Directors are pleased to announce that a half yearly dividend will be paid on 30 November, 1988 at the increased rate of 17.0 cents per $1.00 ordinary fully paid share. This dividend represents an increase of 13.3% on the November 1987 dividend of 15.0 cents per share. The dividend will be fully franked.

The dividend will be paid or bonus shares allotted to registered holders following the registration of transfers received up to 5.00pm on Friday, 4 November, 1988, the books closing date.

Shareholders who have by 16 September, 1988 elected to participate in the Bonus Share Plan will receive bonus shares, issued from the Share Premium Account, in accordance with the rules of the Bonus Share Plan. For the purpose of calculating the number of bonus shares to be allotted, the weighted average price of BHP shares on the Australian Stock Exchange (Melbourne) Limited on 4 November, 1988 and the four business days immediately preceding that date will be used as the market price.

For shareholders who have by 16 September, 1988 elected that some or all of the shares held by them will participate in the Company's Dividend Investment Plan, the dividend will be satisfied in respect of those shares by the allotment of paid up shares in accordance with the Plan.

American Depositary Receipts (ADRs) each represent four ordinary $1.00 shares, and receive dividends accordingly. The record date for ADRs is 4 November, 1988. Holders of ADRs are not at present eligible for participation in the Dividend Investment Plan or the Bonus Share Plan.

Transfers will be accepted for registration at the Company's share registers and the US Depositary at the following addresses:

AUSTRALIA –

Melbourne	140 William Street
Sydney	20 O'Connell Street
Canberra	Arthur Young, 54 Marcus Clarke Street
Adelaide	41-47 Currie Street
Hobart	Perpetual Trustees Tasmania Limited, 29 Murray Street
Brisbane	152 Wharf Street
Perth	221 St. George's Terrace

UNITED KINGDOM –

Bristol	Registrar's Department, National Westminster Bank PLC, Caxton House, Redcliffe Way

UNITED STATES OF AMERICA –

New York	Morgan Guaranty Trust Co. of New York, 40 Wall Street

Secretary
THE BROKEN HILL PROPRIETARY COMPANY LIMITED

PERSONAL

HUGH Welsh Stockbroker, ex doctor met on Kilimanjaro please contact Dr Laing 01-761 2430

CONFERENCES

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LEGAL NOTICES

In the Matter of CCM (Shipping) Limited
and
In the Matter of the
Cyprus Companies Law Cap 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 22nd day of October 1988 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Mr Anthony Hajirousos FCCA of Julia House, 3 Themistocles Dervis Street, P O Box 1612, Nicosia, Cyprus, the Liquidator of the said company, and if so required by notice in writing from the said Liquidator, are personally or by their solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 22nd day of September 1988.

A Hajirousos FCCA
Liquidator

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UK COMPANY NEWS

Sir Lawrie says farewell with 57% profit increase

Barratt builds £62m profit record

By Andrew Hill

SIR LAWRIE BARRATT, co-founder of Barratt Developments, yesterday announced record group profits of £61.5m before tax in the year to June 30, up 57 per cent on the 1986-87 figure of £39.2m.

Sir Lawrie also revealed that he would retire as chairman and chief executive of the housebuilding company at the end of the year, handing over to Mr John Swanson, the present managing director.

Earnings per share increased 55 per cent to 23.5p (15.2p) and a final dividend of 8.37p was proposed, making 11.16p (8.93p) for the year.

During 1987-88, Barratt completed the sale of 7,000 (6,800) houses in the UK and 1,000 in the US. The average house price was £55,400 (£44,800), although in the south east, where Barratt sold 30 per cent of its houses, the average price was £82,000.

Sir Lawrie said yesterday: "Sales should be up a little over 10 per cent this year. As for house prices, there may only be inflationary increases in London for the next two or three years and big increases in all areas outside the south east."

He confirmed that Barratt would be prepared to bring back its mortgage subsidy scheme for housebuyers if mortgage rates rose much higher.

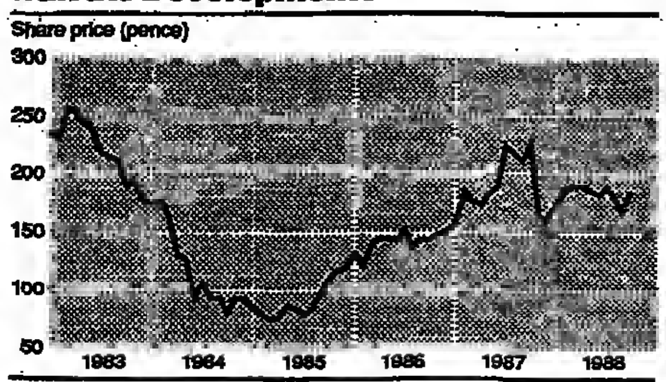
Group turnover was up 22 per cent to £529m (£432m), including £30m of commercial and industrial property disposals, which generated £7.2m in profits. Barratt is to expand its property trading activities, and expects to realise a further £20m from disposals in the current year.

Housebuilding activities in the US made £5.7m (£4m), after £1m of exchange rate losses. The timeshare operation, which contributes less than 3 per cent to Barratt's annual sales, suffered a small loss, but is now trading profitably, according to the group.

Barratt said its financial position was extremely strong: about £100m of various loan facilities was still to spare, and gearing stood at about 16 per cent (14 per cent) at the year-end.

Some £150m (£120m) was spent during the year on keeping Barratt's 2½-year land bank up to date, and the group said between £150m and £160m would be spent in 1988-89.

Barratt Developments



● COMMENT

Even stripping out the commercial property profits, these results were better than most analysts had expected, with the high dividend pleasantly surprising or worryingly generous depending on one's point of view. Barratt's shares – poor performers ever since the crash – rose 13p yesterday to 179p. Opinions on the company's future prospects hinge on how one views Sir Lawrie's parting words. The first half of the current year is probably tied up, with good forward sales, but his forecast that the average price of Barratt homes will rise over 17 per cent to £65,000 in 1988-89 – albeit combined with predictions of a slowdown in the south east – sounds over-optimistic against most other prognostications. Forecast pre-tax profits of about £70m in 1988-89 put the shares on a prospective multiple of about 7, similar to other housebuilders with less turbulent histories.

Panel raps Travis and Sandell on meeting

By Philip Coggan

TRAVIS & ARNOLD and Sandell Perkins, the builders' merchants, have been rapped by the Takeover Panel for holding an analysts' meeting on the day they announced their agreed merger last week.

Under rule 19.1 of the Takeover Code, all shareholders must have equal access to information revealed during the course of a bid.

The boards of the two companies state that they "regret that the situation has arisen" but confirm, at the request of the Panel, that no information was revealed at the analysts' meeting that is not in the public domain.

Since the two companies announced their proposed merger, Meyer International has launched a cash offer for Travis & Arnold of 500p per share. The Travis board rejects the bid as "totally unwelcome and inadequate".

In a circular sent to shareholders yesterday, the Travis board says that a cash price of 500p "is far below the true value of our business". Instead, Travis recommends that shareholders accept Sandell's eight for five share offer, which on yesterday's Sandell price of 245p, values each Travis share at 408p, including a special dividend.

Mr Tony Travis, the chairman of Travis & Arnold, said the merged group would have exciting prospects as one of the leaders in the builders' merchanting industry, and that shareholders would be much better served, in the long term, by taking shares in the enlarged group than by accepting Meyer's cash offer.

All-round growth gives Bank of Scotland £87m

By David Lascelles, Banking Editor

BANK OF SCOTLAND yesterday announced a 56 per cent rise in interim pre-tax profits. But stripped of special factors, the underlying improvement was a more modest 11 per cent.

The Edinburgh-based bank made £87.1m in the six months to August 31. In the same period last year it made £55.7m, but this included the effect of £21.5m of special provisions against Third World loans.

All parts of the group contributed to the growth. Mr Bruce Pattullo, chief executive, said he was pleased that subsidiaries "are now also making a lot of the running" alongside the clearing bank.

The Bank of Scotland itself earned £61.8m (£37.1m). Excluding the special provisions, profits were up five per cent, including an increase in the mortgage book from £1.3bn to £1.8bn, though the full benefits were not felt because mortgage rate increases lagged behind those in the market.

Further provisions were made for bad and doubtful debts including a further addition to specific provisions for Third World loans, raising them to the equivalent of 35.8 per cent from 33.1 per cent. After converting some of these loans into other assets, the bank's total exposure to problem countries fell from £234m to £198m (£118m).

Bruce Pattullo – subsidiaries making a lot of the running.

The bank said that non-interest-bearing deposit growth remained buoyant. The group's electronic home banking service (HOBS) was now attracting "a significant source of interest bearing retail deposits", mainly from small businesses.

Among the group's subsidiaries, North West Securities, finance house, raised profits 15 per cent to £15.2m. The British Linen Bank, the merchant banking arm, more than doubled profits from £4.1m to £8.7m, but this included £3m realised from an early property lease termination.

The Bank of Wales increased profits by 8 per cent to £1.4m which the bank said was "creditable" given its high expansion costs.

Total assets of the Bank of Scotland group amount to £12.4bn. More than half of its lendings are now outside the Scottish market.

● COMMENT

Bank of Scotland has produced another solid half year's growth by concentrating on businesses it knows well, however humdrum, like its payments processing activities. The results, which were much as expected, might even have been a few million better if the mortgage book had enjoyed the full benefits of the rise in mortgage rates in July and August. The additions to the provisions also underline the group's conservative approach. However the 14 per cent increase in costs looks on the high side, and points to a rising trend which has been visible at some other big clearers. Although the effect of the recent rise in interest rates is fairly neutral at Bank of Scotland, it is bound to cool credit demand, particularly in the housing market which has fuelled a good part of the group's growth this year. The second half may not, therefore, be as bright as the first. The shares gained 3p to 359p, a multiple of just over 12, which keeps them at the high end of the banking sector.

GrandMet offer extended

By Lisa Wood

GRAND METROPOLITAN, the UK drinks undertaking battling with Pernod Ricard, the French drinks group, for control of Irish Distillers yesterday formally extended its increased offer of £5.25p per share until October 4.

The extension is theoretical because GrandMet will be able to have a new 60-day timetable for its increased offer after Pernod Ricard posts its bid of I£4.50p per share.

GrandMet was granted permission by the Takover Panel to increase its offer after Pernod Ricard sought to gain irrevocable acceptances to a proposed I£4.50 per share bid.

CH Industrials expansion

By Nikki Tait

CH INDUSTRIALS, acquisitive building, chemicals and specialist engineering group, is buying the Coventry-based Motor Panels group of companies from privately-owned Rubery Owen Holdings for £7.5m cash.

A special dividend of £2.5m is also being paid by Motor Panels to Rubery Owen ahead of completion, raising the effective purchase price to £10m.

Motor Panels, a 50-year old business, designs and manufactures commercial vehicle cabs and prestige car bodies. The cabs are fitted to a variety of commercial vehicles, including Leyland Daf, Seddon Atkinson and Iveco Ford.

It also has a subsidiary company in Wigan which specialises in conversion work on commercial vehicles – for example, the fitting of raised roof sections and the design of tractor cabs.

In the past, Motor Panels has also been involved in the design and construction of Sir Donald Campbell's Bluebird, which broke the land speed record, BRM Grand Prix cars and other high speed vehicles.

In the year to end-September, the company is expected to "exceed comfortably" its budgeted profit figure of £1.53m before tax and Rubery Owen management charges, on sales of £33m. Last year, the comparable figures were £1.02m and £22.7m respectively. At October 2 1987, it also had unagreed tax losses to carry forward of £4.7m.

Net assets at end-September are expected to be £4.87m, before taking account of the special dividend. These, however, include land and buildings last valued in 1965 included at a net book value of £1.5m.

Yesterday, CH Industrials said that the acquisition would enhance its specialist engineering and design division and pointed out that it already supplies many components going into cabs. "This allows us to offer a bigger package," said Mr Tim Hearley, chairman.

CH Industrials said that it had no plans for disposals post-acquisition and expected to run Motor Panels as a self-contained subsidiary.

Cookson offer gets a boost

By Clare Pearson

BUOYANCY IN the mining sector indirectly helped the value of Cookson Group's five-for-three share offer for Wolstenholme Rink to rise appreciably above latter's share price for the first time yesterday.

At the same time Mr Michael Henderson, chief executive of Cookson, the specialist metals and chemicals concern, made a late appeal to Wolstenholme shareholders to accept the £26.7m offer on its financial merits.

It closes tomorrow and has attracted a tiny proportion of acceptances.

A 12p rise in Cookson's shares to 258p yesterday was ascribed by an analyst to a rally in shares of precious metals group Johnson Matthey, in which it has a 6.3 per cent stake, after Minorco announced it was bidding for Consolidated Goldfields.

Wolstenholme's shares, valued at 430p under the share offer which has a 410p cash alternative, closed at 413p.

Mr Henderson said the recent slide in the lithographic materials group's shares, which stood at 518p before Cookson ruled out improving its terms on September 9th, "emphasised the financial merits of the offer."

Tarmac defends offer

By Andrew Hill

TARMAC, the construction and building materials group which is bidding for Ruberoid, rejected charges that its £141.3m recommended cash offer for the roofing materials group would lead to monopolies problems.

Tarmac said the combined group, after divestments, would have a market share of about 30 per cent in traditional British Standard roofing felts, around 27 per cent in all bituminous roofing products, and less than 12 per cent in specialist contracting, excluding areas in which neither company is active.

The bid is hotly contested by a hostile predator, Raine Industries, the housebuilder. Raine's cash and shares bid values Ruberoid shares at 232p each, against Tarmac's 280p a share.

Oliver Res in bid for NW Exploration

By Philip Coggan

Oliver Resources, based in Dublin, yesterday launched a £9.4m offer for fellow exploration company, North West Exploration. North West, based in Belfast, issued a statement recommending shareholders to take no further action, but is expected to reject the bid.

Both groups are quoted under the Stock Exchange's rule 535 (3) but North West had planned to move to the USM.

Oliver's offer is seven of its shares for every two in North West, which on the basis of yesterday's Oliver price of 19p, values each North West share at 66.5p. North West's shares rose 16p to 60p yesterday. Oliver has a 14.2 per cent stake in North West. Both companies are currently loss-making.

Strong start for Clarke Hooper

Clarke Hooper, the USM quoted international marketing services company, was expected to make considerable progress in the six months to end-October, Mr Barry Clarke, the chairman, told the annual meeting.

In the year ended April 30 1988 the company achieved a 54 per cent rise in pre-tax profits and 36 per cent growth in earnings per share.

Since the year end, the group had continued to perform strongly. Mr Clarke said first quarter results were very encouraging, as sales had exceeded budget with overheads being kept well under control.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Addison Consult ......int	0.5☆	Nov 9	-	-	-
Bank of Scotland......int	5	Nov 3	4.4*	-	12.6*
Barratt Devs ....fin	8.37	Nov 18	6.39	11.16	8.93
Britannia Group ....int	1.4	-	-	-	2.5
Cakebread Robey ....int	0.8	-	0.8	-	3.8
Corah ....int	nil	-	1.6	-	1.6
Jones & Shipman ....int	1.15	-	1.15	-	4.15
Klearfold ....int	1.8☆	Oct 28	1.7	-	5.2
Kleinwort Benson ....int	5.3‡	Dec 5	5.3	-	14
Laporte Ind ....int	5	-	4.4	-	12
Pittard Garnar ....int	1.75	Jan 2	1.75	-	5.9
Power Corp ....int	1.7♣†	Nov 11	-	-	0.5
Proudfoot (Alex).......int	2†	Oct 28	2.92	-	2.92
River & Merc Am ....int	1.5	-	-	-	-
Stag Furniture ....int	2.5	Nov 25	1.75	-	6
Worcester Group ....int	0.92	Nov 14	0.66*	-	2.06*

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ¶Third market. ☨Equivalent to the 0.9p interim of 1987 after allowing for demerger of Michael Page group. ♣Irish currency throughout. ‡Shares alternative. ☆US cents, gross, throughout.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- APV, Anglo-Eastern Plant, Antofagasta, Baltic, Baltica, Bisson & Baker sea, Boddington, Bridon, Central Ind. T.V., Clogau Gold Mines, Close Brothers, Connells Estate Agents, F & C Pacific Invs, Flbolax, Food Inds., Hampden Homecare, Herring Son & Daw, Highcroft Inv. Tst, Hornby, Kitty Little, Martin Currie Pacific Tst, Micro Focus, Morrison (Wm) Supermarkets, Newarthill, RMC, Rockware, Sindall (Wm), Spring Ram, Systems Reliability, T & C Stores, Vickers.

Finals- Benson Group, Haggas (J), Logica, Multitone Elect, St Davids Inv. Tst, Strong & Fisher, Tor Inv. Tst, Waterman Partnership.

FUTURE DATES

Interims-

Arcolectric	Oct. 7
Banner Homes	Oct. 4
British Dredging	Sept.28
Capital & Regional	Sept.29
Edinburgh Investment Tst	Oct. 17
Guidehouse	Oct. 4
Hogg Robinson & G.M.	Sept.28
Menzies (John)	Sept.28
Moss Bros	Oct. 25
Royal Tst. Dollar Inc.	Sept.30
Senior Engineering	Sept.27
Finals-	
Blanchards	Oct. 6
Yorkshire TV	Dec. 14

Royal Insurance

Royal Insurance has reduced its holding in TR North American, the £70m specialist investment trust managed by Touche Remnant, from 9.55 per cent to 8.76 per cent.

Finlay Packaging

Finlay Packaging, the Belfast-based colour printer and packaging materials company, has agreed to buy Olympic Containers for £2.8m.

Olympic Containers is a Stockport-based manufacturer of spirally-wound packages which made pre-tax profits of £199,000 in the 44 weeks to July 31 1988. Consideration is in the form of £1.43m of loan stock and £1.38m of cash.

Plantation Trust

Plantation Trust Company, investment group, has appointed N.M.Rothschild to advise its defence against a £10m cash bid from CDFC Trust, which is advised by Morgan Grenfell.

Separately, Plantation announced the appointment of Mr Peter Robertson of M&G, investment management company, as a non-executive director.

UK COMPANY NEWS

Laporte advances to over £50m

By Peter Marsh

LAPORTE INDUSTRIES, the speciality chemicals company, yesterday reported pre-tax profits of £50.6m for the first six months of 1988, compared with £34.0m for the equivalent period last year.

The figure included an exceptional item of £11.6m representing the profit from a land sale. The pre-tax result before this item amounted to £39m, an improvement of 15 per cent on 1987.

The result, roughly in line with expectations, was achieved on sales in the first half of £252.2m, 12 per cent up on the same period last year. The shares responded with a fall of 15p to 396p

Earnings per share were lifted from 16.3p to 22.9p and the interim dividend is raised to 5p from 4.4p last time.

Mr Ken Minton, chief executive, said the profit figure resulted from steady growth in all divisions.

In the past six months Laporte – in which Solvay, the Belgian chemicals group, has a 25 per cent stake – has spent £37m buying eight companies. Acquisitions in the past three years totalled about 30.

Profits in the building and timber-products division improved, said Mr Minton, and the division concerned with absorbents – a range of chemicals used in industrial treatments, toiletries and as cat litter – also recorded satisfactory progress.

There were similar good performances from electronic materials, fine organics and paper-processing and water-treatment chemicals divisions.

The overall performance of Interox, a company jointly-owned by Laporte and Solvay which contributes about a third of Laporte's revenues, was marginally better

● COMMENT

There was little in these results to dispel the general satisfaction felt by onlookers about Laporte's ability to generate cash from the faster growing sections of the chemicals industry. The company has built a reputation for being good at spotting niche areas in the sector where it can build up profits. So far, moreover, it appears to have avoided any significant blunders in its policy of buying up promising-looking small concerns and integrating them into its management structure. There are, however, some worries about a possible falling-off of growth in the commodity side of the chemicals industry. While most of the divisions of Laporte are likely to be largely immune from such a phenomenon, Interox could well suffer. Over the next year or so Laporte is expected to realise a further exceptional gain, amounting to £20m or more, from the sale of land it owns near its headquarters in Luton, Bedfordshire. Ignoring such exceptional items, analysts are looking for a profit figure for the full year of £86m, putting the shares on a p/e of between 10 and 11, slightly above the figure for the chemicals sector.

Ivory & Sime in Canadian venture

By James Buxton, Scottish Correspondent

IVORY & SIME, the Edinburgh-based fund manager, is setting up a joint venture with Pembroke Management in Canada to develop a range of mutual funds aimed at Canadian investors.

Pembroke manages GBC Capital, an investment company specialising in US and Canadian small companies which is to be converted from an investment trust into an open-ended mutual fund on October 1. The new mutual fund will be the first product to be marketed by the new joint venture.

Ivory & Sime Pembroke Inc will be headed by Mr Bob Stewart, a leading figure in the Canadian mutual fund industry who built up mutual funds for the Dynamic Group in Canada. It will be based in Toronto.

Pembroke Management is an investment management company based in Montreal which specialises in identifying small and medium-sized growth companies.

The creation of the joint venture is part of Ivory & Sime's move into mutual funds or unit trusts, which was signalled last October when it secured the services of the team, led by Mr Richard Carswell, which had successfully built up County Unit Trust Managers.

Ivory & Sime has a long standing connection with GBC Capital, with its investment company British Assets having a stake in it. The company, quoted on the London Stock Exchange, is 45 per cent held by individual and institutional shareholders in the UK. It is being unitised in order to become more tax efficient and to eliminate the discount to net asset value at which its shares have traded.

GBC Capital is currently valued at about C$215m. Ivory & Sime expects funds worth between C$75m and C$90m to be withdrawn from it on mutualisation. The reconstituted fund will be marketed in Canada by Ivory & Sime Pembroke and in the UK by Ivory & Sime.

Increased losses at Corah as restructuring continues

By Alice Rawsthorn

CORAH, the troubled textile company which is in the throes of radical cost cutting, saw pre-tax losses rise from £1.57m to £2.21m in the first half of 1988.

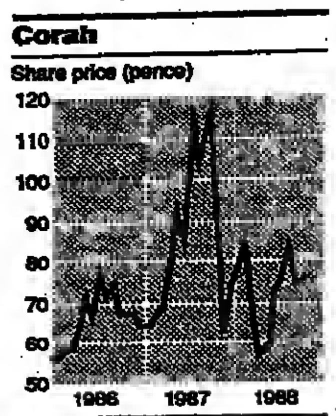
Rationalisation costs were expressed as an extraordinary item of £4.84m.

Corah has been struggling for several years. Its restructuring began in early spring when Mr John Foulkes arrived as chief executive from Hanson and initiated a thorough review of the business.

Mr Foulkes' strategy was to concentrate on Corah's core interests in knitted fabrics, underwear and leisurewear. It has since withdrawn from knitwear and closed two small factories making children's leisurewear. Corah also sold its hosiery division to Courtaulds and shed labour in "peripheral" areas like maintenance.

The £4.84m extraordinary item covers the full cost of rationalisation. Mr Foulkes said that he wanted to "get rid of all the peccadillos so that we can go forward positively."

Sales slipped from £46.6m to £43.2m in the six months to July 1. Operating profits fell to £845,000 (£1.24m). The loss per share rose to 6.4p (5.2p) and there is no interim dividend.



The group should trade profitably in the second half, according to Mr Foulkes. But the board does not, he said, expect to recommend a final dividend because of the cost of restructuring.

Corah's shares rose by 1p to 75p.

● COMMENT

The story of Corah reads like a cautionary tale in the Buddenbrooks style. The company's problems of poor profitability and hefty borrowings have been all too apparent for years: yet the old family regime seemed to fight shy of solving them. Mr Foulkes, by contrast, has been slaughtering sacred cows with a vengeance since his arrival in February. Corah is now composed of a group of companies with collective sales of £75m or so. It is still exposed to commodity products and to intensely competitive market sectors. A return to pre-tax profits seems far from probable this year. The sale of socks and the Leicester site should cut costs and improve cashflow, but will have little impact on the balance sheet. The gearing level at the year end should be slightly lower than last year's 72 per cent. But the real task of revitalising Corah has barely begun. All in all it is hardly the most attractive of takeover targets. Although the City still seems willing to speculate that Mr Goward – who is, after all, an alumnus of the Ron Brierley school – will be prepared to tackle it.

Stag Furniture up 56% midway

Stag Furniture lifted pre-tax profits by 56 per cent in the first half of 1988.

Group sales rose 20 per cent to £19.85m (£16.5m), with the Minstrel bedroom, living and dining room furniture leading the way. Stag is now one of Marks and Spencer's small group of furniture producers.

Profit before tax came to £1.01m (£647,000) and earnings were 7.3p (4.8p). The interim dividend is raised to 2.5p (1.75p).

Young rises to £1m

Young Group, coal mining company which came to the USM in June, lifted its pre-tax profit from £945,000 to £1.04m in the half year to May 31 1988.

The profit was ahead of budget, although high levels of investment needed to develop new drift mines held back the growth rate in the short term.

Earnings for the half year worked through at 10.48p (9.46p). There is no interim dividend, but the directors intend to pay in March a final of 3.25p.

R and M American

River and Mercantile American Capital and Income Trust turned in first interim figures showing net earnings for income shares of £321,000.

Net asset value was 46.01p per income share and 30.28p per 10p capital share. There is a second interim dividend of 1.5p.

Britannia rises 29%

Britannia Group, rose 29 per cent to £653,000 in taxable profits for the first half of 1988, on turnover up from £6.4m to £6.81m. Earnings per 5p share were unchanged at 3.6p and a maiden interim dividend of 1.4p is declared.

Zygal Dynamics

Mr Richard Coulson, chairman of Zygal Dynamics, told shareholders at the annual meeting that order books were a record. The major source of profit now comes from Coulson Heron Associates, acquired last October.

Addison barely breaks even

By Clare Pearson

ADDISON CONSULTANCY Group, market research, design, and public relations consultant, barely broke even in the first half. In May the group demerged from recruitment concern Michael Page in the hope of a higher market rating for its shares.

Addison incurred redundancy and reorganisation costs of about £900,000 during the six months to end-June, there were also poor trading performances in some companies, so pre-tax profits plummetted to £320,000 (£2.45m).

After an 81.5 per cent tax charge, due to an inability to use losses in the US, earnings per share came out at 0.08p (2.68p). There was a £1.1m extraordinary provision for the costs of the demerger.

Mr Steve Smith, chief executive, said yesterday that he did not wish to be quoted on the results.

Mr Julian Broad, non-executive chairman, said in his statement that he was confident of a "substantially improved performance in the second six months," although the full benefit of the changes would not come through until 1989 and 1990. Meanwhile, the full-year tax charge should be down to normal levels.

Management changes had been made at the design company in San Francisco, as well as those in the UK, and also at Streets Communications, the financial PR and advertising arm.

Turnover during the first half was little changed at £40.90m (£43.04m), underlining, the company said, that the "strong brand names" comprising the group continued to attract good levels of business.

The communications division was also hit by a reduction in financial advertising budgets due to the lacklustre stock market. However, the market research division, which plans to expand internationally, did well and consumer advertising is having a satisfactory year.

An interim dividend of 0.5p, equivalent to last year's level after allowing for the demerger, is being paid.

● COMMENT

Bitterly ironic indeed it must seem to Addison's management that, having demerged from Michael Page to improve the company's stock market profile, only bid speculation has now lifted the shares to a premium. The effect of the demerger was to lay bare the weaknesses no one focused on while the company was growing rapidly with enthusiastic City backing. After a warning two months ago, these figures were no surprise and analysts left full-year forecasts unchanged at £2.6m, giving a multiple of about 12.5. For 1989, forecasts are in the £4.5m region, but that places much faith in Mr Smith's ability to implement the management and financial controls that up to now appear to have been sadly lacking. Meanwhile, as the company itself says, the attractions of such names as Taylor Nelson in market research and Streets in advertising and public relations are there for all to see.

Pittard driven to £2.5m loss

By Nikki Tait

WRITE-DOWNS on sheepskin stocks, provisions on dishonoured contracts and margin pressures, have driven Pittard Garnar, leather group, to a £2.54m loss before tax in the six months to July 1. This compares with a £3.6m profit in the equivalent period a year ago.

The company had warned of serious stock losses and trading difficulties in June, and its shares – which soared to more than 400p ahead of the October crash – eased just 4p to 154p yesterday.

Much of the loss was due to heavy exceptional items. At the trading level, sales were down from £86m to £67.6m and operating profits from £4.87m to £1.05m. The company said that all its principal product businesses – gloving leather, clothing/chamios leather and shoe upper leather – remained profitable in operating terms, though in some cases only just.

Margins on the gloving side were hit by the strength of sterling, especially against the dollar, although this business is now showing a substantial recovery. The shoe leather business was hit by increased imports in the footwear industry generally, and although conditions are still difficult, Pittard reports some signs of imports receding.

Exceptional item costs of £2.26m comprised a £1.84m write-down on stocks and a £424,000 provision against dishonoured contracts. Interest charges took £1.32m (£1m), although the company hopes that year-end gearing will be little changed at about 60 per cent.

Below the line, a £360,000 extraordinary surplus related to property sale profits offset by rationalisation costs, now largely complete.

The interim dividend, however, is held at 1.75p a share, and in the absence of "any significant downturn in market conditions" the final should also be held at 4.15p a share.

Dinkie Heel acquisitions

By Nikki Tait

DINKIE HEEL, a small manufacturer of shoe components, is buying three businesses involved in manufacturing and distributing to the footwear components industry, from Pittard Garnar.

The companies – Odell Components, Phillips Rubber and the Enterprise Group which take in the Phillips Stick-a-Sole trade mark – have an asset value of about £1.5m. They made operating profits of £280,000 in the 11 months to end-December.

Dinkie Heel is paying £1.53m – £1.2m in cash and the remainder via a 7.5 per cent loan note maturing in three years time. Because of the size of the transaction relative to the company, shares in Dinkie were suspended at 30p yesterday.

The company also announced pre-tax profits up from £50,000 to £120,000 in the six months to end-June. Sales increased from £1.6m to £1.78m. Earnings per share improved from 0.35p to 0.83p and the interim dividend raised to 0.25p (0.2p).

Jones & Shipman

The first half of 1988 saw pre-tax profits fall by 18 per cent at Jones & Shipman, precision machine tool manufacturer.

The result of £452,000 (£537,000), came as sales fell from £9.96m to £9.55m. Operating profit was 8 per cent down at £497,000. The interim dividend is held at 1.15p on earnings of 2.3p (2.8p).

Klearfold ahead

Klearfold, Pennsylvania-based plastic packaging maker, raised pre-tax profits from $804,000 to $950,000 (£565,000) in the six months to June 30.

The interim dividend is 1.8 cents (1.7 cents) gross, on earnings of 6.6 cents (6 cents).

Turnover rose to $11.11m ($10.79m). Mr Melvin B Herrin, chairman, said a UK licensing agreement had been signed.

Cakebread Robey at £426,000

By Philip Coggan

CAKEBREAD ROBEY, Enfield-based builders merchant, yesterday reported an increase in pre-tax profits from £322,000 to £426,000 in the six months to June 30.

The company had a poor year last year because of uncertainty caused by two bid approaches. Last year's figures have in fact been restated to reflect a change in accounting policies, under which depreciation is no longer charged on freehold buildings.

This year's figures reflect an extraordinary debit of £27,000, resulting from acquisition talks which have now been discontinued. Further costs will result in the second half.

Sales increased 11 per cent in the first half to £13.13m (£11.75m). The directors said that early indications were that the trading improvement would continue in the second half, which would also benefit from a £400,000 exceptional profit from property sales.

The interim dividend is unchanged at 0.8p and earnings per share were 4.5p (3.6p).

Blagden £4.81m buy

BLAGDEN Industries, steel drum manufacturer, is to pay up to £4.81m in cash and shares for Rumford Consultants, a maker and distributor of eye-protection equipment.

Blagden is initially paying £1m cash and issuing 1.57m shares – worth £2.81m at Tuesday's closing price.

An additional cash payment of up to £1m is linked to profits in the year to May 1989.

Rumford achieved pre-tax profits of £541,689 in the year to May 31, at the end of which it had net tangible assets of £890,000.

Power surges

Power Corporation more than doubled pre-tax profits to a record I£2.18m (£1.86m). Turnover for the six months to end-June expanded 34 per cent to £4.11m. A maiden interim dividend of 1.7p is declared.

J Crean rises 57%

James Crean, Dublin-based industrial holding company, announced a 57 per cent increase in pre-tax profits from I£3.95m to I£6.2m (£5.3m) in the six months to June 30 1988.

Sales rose 12 per cent to £64.79m (£57.72m). The pre-tax result included profits from associated companies of £102,000 (£157,000) and interest receivable of £186,000 (£50,000).

After tax of £1.23m (£748,000), earnings per share rose to 17.7p (13.3p) and the interim dividend is lifted to 6.5p (6p).

Proudfoot tops £14m midway

FIRST FULL period figures issued by Alexander Proudfoot since the acquisition of the management consultancy business show that for the first half of 1988 pre-tax profit came to £14.3m, on a turnover of £52.11m.

Proudfoot, a US group, reversed into City and Foreign Holdings a year ago; financing came from a £100m rights issue.

Lord Stevens, chairman, said growth in the consultancy business continued. Profits before tax and interest rose to £13.76m, against the £11.17m given in last November's listing particulars for comparative purposes.

The growth demonstrated the group's ability to maintain progress, although profit from the US, one of the major markets, was lower than last year. Business in Europe and Australia, however, had been strong.

In the first half of 1987 the group made £800,000 pre-tax from turnover of £5.2m. For the whole of that year profit reached £3.1m including only one month from the US group. A single dividend of 2.92p was paid.

Earnings for the 1988 period were 13.86p (6.18p) and an interim dividend of 2p is declared.

The language schools were sold and the unconditional proceeds of £3.2m brought into account realising a loss.

COMPANY NEWS IN BRIEF

BURTONWOOD BREWERY: Company's 50 per cent associate, Coinwood Leisure, has reached agreement on the sale of its principal trading assets – amusement arcades and single site fruit machines – for a total of £4m.

CAIRD GROUP has acquired Chemical and Environmental Technologies (CETech), a Worcester-based company involved in techniques for chemical and clinical waste treatment and disposal.

CALIFORNIA ENERGY, a US electricity generating company, yesterday joined the main market via an introduction. It is already quoted on the American Stock Exchange.

COLOROLL GROUP has acquired Texture Tex (Europe) from Crown America for £3.5m cash. Texture Tex, based in Gwent, processes bulk continuous filament (BFC) nylon yarns for the carpet industry. Turnover for the year to August 27 1987 was £13m and adjusted pre-tax profits £607,000.

COWAN DE GROOT has sold ADM, the principal trading subsidiary of its own wholly-owned subsidiary International Computer Training, to Cranbrook Training and Recruitment, a subsidiary of Summer International, for £800,000. Cowan has also sold two freehold properties for £159,500.

CREIGHTON LABORATORIES: Of the 916,900 ordinary offered in the rights issue, 887,187 (about 96.8 per cent) have been taken up. The balance has been sold in the market.

J.A. DEVENISH has exchanged contracts for the sale of 9.3 acres of land at Weymouth for about £6.1m cash. Completion is conditional upon receipt of detailed planning permission. In the opinion of the directors net book value of the site is £475,000.

FERGABROOK GROUP has extended the closing date for acceptances and full payment for the offer of new ordinary shares until 3pm on September 30, due to postal delays.

FIFE INDMAR has acquired J.A.C.K. Scot Equipment Hire of Aberdeen for an initial £450,000 satisfied by £33,750 in unsecured loan notes and the balance in shares. There is further maximum payment of £500,000 in loan notes.

FINLAN HOLDINGS, property development and materials handling group, has acquired from London Securities 2.76m ordinary shares at 75p in Merchant Manufacturing Estates Company – representing 9.9 per cent of its ordinary share capital. The consideration of £2.07m has been satisfied by £250,000 cash and the rest by an 8 per cent long-term loan note.

GT JAPAN Investment Trust: Net asset value 358.8p as at June 30 1988, against 347.8p a year earlier. Directors propose same again final dividend of 1p and special dividend of 0.6p (0.3p) making 2p (1.7p) total.

HOGG ROBINSON and Gardner Mountain has purchased the subsidiaries of Edward Lumley Holdings which carry on its UK, Lloyd's and regional broking activities for £2.46m in cash and shares.

ISOPAD, heat-control equipment manufacturer, is to pay £100,000 for a Danish heat-tracing business and for its Danish partner's half of a joint venture which markets Isopad products in Scandinavia. Isopad has also sold a freehold property in Wolverhampton for nearly £100,000 over book value.

LEBAK LEISURE, operator of the London Park Tower and Barracuda Club Casinos in London has expanded its operations into the Midlands by acquiring three casinos in a deal worth more than £4m. Lebak, which intends to seek a listing on the USM in a couple of years, has acquired the Midland Wheel, which owns 85 per cent of the China Palace and all of the Le Ritz casinos in Birmingham. It has also purchased the Carlton Casino in Derby.

LILLESHALL has acquired Allthread from Bauer & Schuarte Karcher for £400,000 cash. In addition Allthread has repaid to Bauer a short-term loan of £700,000. Allthread distributes engineering and construction fasteners, and in the six months to June 30 incurred losses of £22,338 on turnover of £2.19m.

PARKDALE HOLDINGS has exchanged contracts to purchase the Star Hotel, Wells, for £875,000 cash. An initial payment of £87,500 has been paid, with the balance on completion, which is expected to take place on October 3.

SAVILLS has agreed to acquire Davies and Millett, a building consultancy practice, for £450,000, to be satisfied by £337,500 cash and the rest in ordinary shares. D and M has warranted that net tangible assets will be at least £50,000 on completion, to be paid in cash.

SIEBE's American Depository Receipts became effective on August 26 and trade on the over-the-counter market.

SWISS REINSURANCE, the world's second largest reinsurance group, said it had agreed in principle to buy Thomas, Howell, Selfe & Company, a UK loss adjuster. Terms of the acquisition, which is subject to negotiation of a final purchase agreeement, were not disclosed. Swiss Re said the deal should be finalised in mid-October. Thomas, Howell, Selfe will remain an independent firm under present management.

TESCO has become entitled compulsorily to convert holdings of the 9 per cent convertible unsecured loan stock 2002/07 into fully paid ordinary at the rate of 243.3021 ordinary for every £100 nominal of stock. It has decided to do this on October 4.

TURNBULL SCOTT has acquired Relcross, Wiltshire-based distributor of high quality security products, for an initial £1.4m comprising cash, loan notes and new ordinary shares. Deferred consideration up to £260,000 is dependent on profits.

UNITED ENGINEERING Steels: the DTI is not to refer its proposed acquisition of Woodstone Metals to the Monopolies and Mergers Commission.

YULE CATTO: The chart published yesterday (WED) showed the company's share price relative to the FT-A Chemicals index, not the All-Share index.

Worcester jumps to £2m

A 70 per cent advance in pre-tax profits, from £1.2m to £2.04m, was achieved by the Worcester Group of domestic central heating specialists in the half year ended June 30 1988.

The result reflected the rapid expansion of the core boiler business, where sales were ahead 70 per cent and contributed to the overall increase in turnover of 52 per cent to £18m.

Mr Cecil Duckworth, chairman and chief executive, said all operating companies were in a strong trading position and he expected that trend to continue.

Earnings for the half year worked through at 5.8p (3.74p) and the interim dividend is lifted to 0.92p (0.66p).

CI expansion in US

CI GROUP, the Wolverhampton-based steel and engineering group, is continuing its policy of expansion through acquisition with the purchase of MKB Industries, Connecticut-based distributor of vacuum chamber moulding presses.

CI will pay an initial $200,000 (£119,000) in cash. Depending on profits in the 13 months to January 1989, it may pay up to an additional £1.26m in cash and/or shares.

MKB's net assets at June 30 were equal to $372,000 and the unaudited profits to the same date were $185,000.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up and pound weakens

A SLIGHT firming of the dollar, and an easing of sterling and the Australian dollar, were the main features in quiet foreign exchange trading yesterday.

A rise of 0.4 p.c. in August US consumer prices, unchanged from July, was a little below the general level of forecasts, but had no impact. The dollar continned to receive some support from Tuesday'a upward revision in the second quarter US gross national product deflator - another guide to inflationary pressure - to 5.5 p.c. from 5.1 p.c. but following the CPI news there seems to be little prospect of an early tightening in the Federal Reserve'a monetary stance.

A fall of 3.3 p.c. in August US housing starts added to the general belief that there is little immediate fear of overheating in the economy.

The subdned mood of the market also reflected nervousness ahead of the International Monetary Fund meeting, beginning in West Berlin today.

Dealers fear that finance ministers from the leading industrial nations - the Group of Seven - could use the meeting in Berlin as a platform to shift the currency market.

But on balance it is generally expected that the Group of Seven will do little more than affirm their commitment to stable exchange rates.

At the close in London the dollar had climbed to DM1.8745 from DM1.8640; to Y134.20 from Y133.80; to SFr1.5830 from SFr1.5740; and to FFr6.3700 from FFr6.3375.

According to the Bank of England, the dollar's exchange rate index rose to 99.5 from 99.3.

The Bundesbank sold $2.5m when the dollar was fixed at DM1.8747 in Frankfurt, compared with DM1.8686 on Tuesday. This was the first intervention by the West German central bank, at a fixing, since September 12, bnt was regarded as too small to be regarded as a deliberate move to cap the dollar's rise. Dealers suggested it was simply a matter of balancing supply and demand at ths fixing. There was no sign of intervention by the Bundesbank on the open market.

Weakness in the price of gold, which at one time fell below $400 an ounce, hit the Australian dollar. The US dollar rose to A$1.2830 from A$1.2715.

Sterling lost ground. Market euphoria, following Tuesday's announcement of lower than expected UK bank and building society lending in August, tended to wane.

Second quarter UK gross domestic growth of 0.5 p.c., bringing year-on-year growth down to 4 p.c., from 4.5 p.c. in the first quarter, was less than forecast, but failed to move the market.

The pound will remain nervous ahead of next Tuesday's publication of the UK trade figures for August.

Sterling fell 1.05 cents to $1.6755. The pound also declined to DM3.1400 from DM3.1425; to Y224.75 from Y225.50; to SFr2.6525 from SFr2.6550; and to FFr10.6725 from FFr10.6850.

On Bank of England figures, sterling'a index fell 0.3 to 75.3.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Sept.21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.4708	+2.38	+1.01	±1.5344
Danish Krone	7.85212	7.95282	+1.28	-0.09	±1.5404
German D-Mark	2.05853	2.07376	+0.74	-0.63	±1.0981
French Franc	6.90403	7.04705	+2.07	+0.70	±1.3674
Dutch Guilder	2.31943	2.33921	+0.85	-0.52	±1.5012
Irish Punt	0.768411	0.772303	+0.51	-0.52	±1.6684
Italian Lira	1483.58	1543.59	+4.04	+3.22	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

Sept.21	Latest	Previous Close
£ Spot	1.6840-1.6845	1.6805-1.6815
1 month	0.48-0.47pm	0.49-0.47pm
3 months	1.48-1.46pm	1.48-1.46pm
12 months	4.98-4.93pm	4.98-4.93pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

[illegible]

POUND SPOT- FORWARD AGAINST THE POUND

Sept.21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6730-1.6835	1.6750-1.6760	0.49-0.46cpm	3.40	1.51-1.46pm	3.55
Canada	2.0385-2.0510	2.0420-2.0430	0.30-0.22cpm	1.53	0.87-0.75pm	1.59
Netherlands	3.53¼-3.54¼	3.53¼-3.54¼	1¾-1⅝cpm	6.14	5⅛-5¼pm	6.21
Belgium	65.65-66.00	65.80-65.90	31-20cpm	4.65	81-65pm	4.43
Denmark	12.03-12.05½	12.03¾-12.04¼	4½-3¾orepm	4.05	11¾-10¾pm	3.70
Ireland	1.1655-1.1725	1.1690-1.1700	0.42-0.37cpm	4.05	1.40-1.32pm	4.65
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CURRENCY RATES

[illegible]

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

[illegible]

CURRENCY MOVEMENTS

[illegible]

EURO-CURRENCY INTEREST RATES

[illegible]

OTHER CURRENCIES

	£	$
[illegible]	[illegible]	[illegible]
Korea(Sth)	1205.00-1214.65	716.80-722.60
Kuwait	0.48150-0.48200	0.28715-0.28725
Luxembourg	65.80-65.90	39.25-39.35
Malaysia	4.4665-4.4780	2.6655-2.6675
Mexico	3821.90-3842.50	2281.00-2292.00
N. Zealand	2.7430-2.7480	1.6355-1.6380
Saudi Ar.	6.2895-6.2950	3.7505-3.7515
Singapore	3.4175-3.4230	2.0375-2.0395
S. Af (Cm)	4.1420-4.1530	2.4735-2.4750
S. Af (Fn)	6.6435-6.7780	3.9605-4.0405
Taiwan	48.60-48.85	28.90-29.00
U.A.E.	6.1585-6.1645	3.6725-3.6735

*Selling rate

EXCHANGE CROSS RATES

Sept.21	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.676	3.140	224.8	10.67	2.653	3.543	2339	2.045	65.90
$	[illegible]	1.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DM	0.318	0.534	1.	71.59	3.398	0.845	1.128	744.9	0.651	20.97
YEN	4.448	7.456	13.97	1000.	47.46	11.80	15.76	10400	9.088	292.9
F Fr.	0.937	1.571	2.943	210.7	10.	2.486	3.321	2191	1.915	61.72
S Fr.	0.377	0.632	1.184	84.75	4.022	1.	1.335	881.3	0.770	24.82
H Fl.	0.282	0.473	0.886	63.45	3.012	0.749	1.	659.9	0.577	18.59
Lira	0.428	0.717	1.343	96.15	4.564	1.135	1.515	1000.	0.874	28.17
C $	0.489	0.820	1.537	110.0	5.223	1.299	1.734	1144	1.	32.23
B Fr.	1.519	2.545	4.768	341.4	16.20	4.029	5.380	3550	3.103	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

MONEY MARKETS

Firmer trend

THE SOFTER tone in UK interest rates, seen after Tuesday's release of better than expected banking figures for August, was quickly reversed in London yesterday. Sterling finished the day on a weaker note, and the mood of the market suggested that Tuesday's mild euphoria was probably a little overdone.

The key three-month interbank rate finished at 12⅛-12 p.c. against 12⅛-11⅞ p.c. on Tuesday, while the 12-month rate was higher at 12¼-12⅛ p.c. from 12⅛-12⅛ p.c. In view of the cautionary note struck by Mr Nigel Lawson, Chancellor of the Exchequer, traders are now likely to wait until the release of UK trade figures for August, due next week, before making any firm commitment.

UK clearing bank base lending rate 12 per cent from August 25 & 26

Overnight interbank money opened at around 11 p.c. but slipped to a low of 9½ p.c. before finishing bid at 10 p.c.

The Bank of England forecast a shortage of around £200m, with factors affecting the market including repayment of any late assistance and bills maturing in official hands, together with a take np of Treasury bills draining £61m. Exchequer transactions drained a further £10m, while banks brought forward balances £20m below target. There was also a rise in the note circulation of £115m.

The forecast was revised to a shortage of around £100m, but there was no intervention by the Bank during the morning. A furthar revision took the forecast to a surplus of around £100m, and the Bank took out £75m of the overflow, by selling Treasury bills at 10¼ p.c., maturing tomorrow.

Interest rates were a little easier in Frankfurt, as commercial banks received the proceeds of the latest sale and repurchase tender. The facility added a net DM2.6bn through a split tender, but traders suggested that short-term rates were unlikely to fall much further, due to continued tax payments by commercial banks, on behalf of corporate customers.

The shortage of funds was exacerbated by a call on funds lent last week through tha so-called section 17 facility, whereby the Bundesbank draws funds from state owned banks, and lends them on to the market.

Despite the shortage of funds, call money remained below the Lombard rate of 5 p.c., and many traders believe that the authorities are determined to take appropriate measures to keep the cost of short term money below this level.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept.21) 3 months US dollars		6 months US Dollars	
bid 8⅜	offer 8½	bid [illegible]	offer [illegible]

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

		Treasury Bills and Bonds	
Prime rate	10	One month	[illegible]
Broker loan rate	9⅞-½	Two month	[illegible]
Fed funds	8⅛-¼	Three month	[illegible]
Fed funds at intervention	8¼	Six month	[illegible]
		One year	[illegible]
		Two year	[illegible]

Sept.21	Overnight	One Month	Two Months
Frankfurt	4.60-4.70	4.75-4.90	4.80-4.95
Paris	7⅜-7½	7½-7⅝	7⅝-7⅞
Zurich	1⅝-1⅞	2⅞-3⅛	-
Amsterdam	4.75-4.87	5.43-5.48	-
Tokyo	3.84375	4.40625	-
Milan	10¼-10½	11¼-11⅝	-
Brussels	7.80	7¾-7⅞	-
Dublin	7-7¼	7¼-7½	7¼-7⅝

LONDON MONEY RATES

Sept.21	Overnight	7 days notice	One Month
Interbank Offer	11	11⅛	11⅜
Interbank Bid	9½	10⅞	11⅝
Sterling CDs	-	-	11⅛
Local Authority Deps.	10⅛	10⅛	11⅜
Local Authority Bonds	-	-	11⅞
Discount Mkt Deps.	10⅝	10⅞	11¼
Company Deposits	-	-	11⅞
Finance House Deposits	-	-	11⅝
Treasury Bills (Buy)	-	-	11⅛
Bank Bills (Buy)	-	-	11⅞
Fine Trade Bills (Buy)	-	-	12⅛
Dollar CDs	-	-	8.15-8.10
SDR Linked Dep Offer	-	-	7¼
SDR Linked Dep Bid	-	-	7
ECU Linked Dep Offer	-	-	7½
ECU Linked Dep Bid	-	-	7¼

Treasury Bills (sell); one-month 11⅛ per cent; three months 11⅛ per cent; Bank Bills (sell); one-month 11⅞ per cent; three months 11⅞ per cent; Treasury Bills: Average tender rate of discount 11.6348 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day Aug.31, 1988. Agreed rates for period September 26, 1988 to October 25, 1988, Scheme I: 12.27 p.c., Schemes II & III: 12.72 p.c. Reference rate for period July 30, 1988 to August 31, 1988, Scheme IV&V: 11.364 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from September 1, 1988: Bank Deposit Rates for sums at seven days notice 3.75 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7½ per cent; one-three months 9 per cent; three-six months 9 per cent; six-nine months 9½ per cent; nine-twelve months 9½ per cent; Under £100,000 7 per cent from July 5, 1988. Deposits withdrawn for cash 5 per cent.

FINANCIAL FUTURES

Prices slip as optimism fades

STERLING BASED futures lost ground in yesterday's Liffe market, after what was seen as an over-reaction to Tuesday's firmer trend. The argument ran that the scale of euphoria, after August's better than expected bank lending figures, had been overdone. The mood of caution was increased by comments made by Mr Nigel Lawson, UK Chancellor, stressing that one set of figures was not enough to establish a trend.

Consequently the December three-month sterling price fell back to 87.81 from an opening level of 87.88, and Tuesday's close of 87.93.

Long gilt prices acted in much the same way, and the December value dipped to 94-06 from a high of 94-17, and Tuesday's close of 94-11.

US Treasury bond prices were a little firmer, after the release of US consumer prices in August. These showed a smaller than expected increase, and helped to allay fears about a rise in the rate of inflation. Short covering boosted the December price to 88-06 from 87-30.

LIFFE LONG GILT FUTURES OPTIONS

[illegible]

LIFFE US TREASURY BOND FUTURES OPTIONS

[illegible]

LIFFE FT-SE INDEX FUTURES OPTIONS

[illegible]

LIFFE £/$ OPTIONS

[illegible]

LIFFE EURODOLLAR OPTIONS

[illegible]

LIFFE SHORT STERLING

[illegible]

PHILADELPHIA SE £/$ OPTIONS

[illegible]

LONDON SE £/$ OPTIONS

[illegible]

LONDON (LIFFE)

[illegible]

CHICAGO

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 27,953

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	12	City Merchants Bank	12	NatWestminster	12
Adam & Company	12	Clydesdale Bank	12	Northern Bank Ltd	12
AAB - Allied Arab Bk	12	Comm Bk N East	12	Norwich Gen Trust	12
Allied Irish Bank	12	Co-operative Bank	*12	PRovincial Bank PLC	13
● Henry Ansbacher	12	Coutts & Co	12	R. Raphael & Sons	12
ANZ Banking Group	12	Cyprus Popular Bk	12	Roxburghe Guarantee	12½
Associates Cap Corp	12	Dunbar Bank PLC	12	Royal Bk of Scotland	12
Authority Bank	12	Duncan Lawrie	12	Royal Trust Bank	12
● B & C Merchant Bank	12	Equatorial Bank plc	12	● Smith & Williamson Secs	12
Banco de Bilbao	12	Exeter Trust Ltd	12½	Standard Chartered	12
Bank Hapoalim	12	Financial & Gen Bank	12	TSB	12
Bank Leumi (UK)	12	First National Bank Plc	13	UDT Mortgage Exp	¶12.75
Bank Credit & Comm	12	● Robert Fleming & Co	12	United Bk of Kuwait	12
Bank of Cyprus	12	Robert Fraser & Ptnrs	12½	United Mizrahi Bank	12
Bank of Ireland	12	Girobank	12	Unity Trust Bank Plc	12
Bank of India	12	● Guinness Mahon	12	Western Trust	12
Bank of Scotland	12	HFC Bank plc	12	Westpac Bank Corp	12
Banque Belge Ltd	12	● Hambros Bank	12	Whiteaway Laidlaw	12½
Barclays Bank	12	Heritable & Gen Inv Bnk	12	Yorkshire Bank	12
Benchmark Bank PLC	12	● Hill Samuel	§12		
Berliner Bank AG	12	C. Hoare & Co	12		
Brit Bk of Mid East	12	Hongkong & Shangh	12		
● Brown Shipley	12	● Leopold Joseph & Sons	12		
Business Mtge Tst	12½	Lloyds Bank	12		
CL Bank Nederland	12	Meghraj Bank Ltd	12		
Central Capital	12	McDonnell Douglas Bnk	12.5		
● Charterhouse Bank	12	Midland Bank	12		
Citibank NA	12	Mount Bnkg Corp	12		
		Nat Bk of Kuwait	12		

● Members of British Merchant Banking & Securities Houses Association. * 7 day deposits 4.39%, Sarewise 7.16%, Top Tier-£10,000+ instant access 9.0% & Mortgage base rate. § Demand deposit 7%. ¶ Mortgage 12.375% - 12.75%.

BUSINESS LAW

The case for a court-administered system of arbitration

By A.H.Hermann, Legal Correspondent

THE CIVIL JUSTICE Review Body, whose report was presented to parliament by the Lord Chancellor in June, made 91 recommendations and most of them would improve the present system if adopted. There remains the question whether any improvement to the existing system can make it adequate for contemporary requirements. It may well be that changes which have taken place since 1066 call for a quite different system from that which the Normans bronght with them from France.

While both French and US lawyers made profound changes to take account of the first and second industrial revolutions, English lawyers – and judges in the first place – fight for every inch of the 1066 Norman system. The review body not only rejected the obvious idea of integrating the County Courts with the High Court into a single network, thereby deferring to the High Court jndges who for some undisclosed reason feared that this would diminish the dignity of their office. It also rejected the proposal that there should be a single entry for all civil cases, though this was accepted for personal injury claims and some other specialised business. It remained on the fence when presented with proposals for relieving the burden of the Commercial Court – a division of the High Court – by means of court-administered arbitration.

Instead, the review body recommended an elaborate system of transfers between the High Court and the County Courts. This will merely shift the burden from one court to another, adding costs and delay, but will not create any additional judicial capacity.

In contrast with such inertia, the French have since the days of 1066 made some very radical changes in their system. They codified their law. They established a network of lay commercial courts spread over the entire country and injected into them a strong element of arbitration, though they avoid calling it that.

The judges sitting in these commercial courts are businessmen elected by the ragional chambers of commerce. This has certain advantages, such as familiarity with business problems, and certain disadvantages, such as familiarity with the parties which come before them. However, the method used comes very close to London arbitration. The court deals directly with cases which present no problems – debt enforcement, for example. Whenever the judges feel that the decision requires special knowledge of technology, trade and its customs, they appoint an expert who submits his opinion which then becomes the basis of the judgment, at least as far as facts are concerned.

In most cases, this court-appointed expert acts as an arbitrator. More difficult cases are assigned to a bench on which sit commercial judges of greater experience and, possibly, some legal training. There is always the possibility of appealing to the highly professional Court of Appeal.

In the US, modern times made it necessary to adapt the 1066 French system imported via England to the escalating needs of a very litigious population. Unlike Germany, where mediation and help provided from the bench towards an out-of-court settlement is a duty of the judge, American judges, as a rule, offer such help only when requested by the attorneys. According to Robert Coulson: "(US) judges have more to do than preside over settlement conferences . . . If some judges mediate frequently, others will not. In any case, mediation has become familiar to American judges. Some mediate. Others encourage parties to use professional mediators. In general, US courts favour mediation because it settles cases."[1]

Voluntary mediation alone has not proved capable of reducing to manageable proportions the number of cases awaiting trial. In the course of the past two decades, courts have either assumed through court rules, or were given by statute, tha power to order arbitration of disputes where the stake is under a certain monetary level.

The arbitration tribunal to which the parties are referred by the court consists, as a rule, of three lawyers taken from an arbitration panel maintained by the court. The parties cannot refuse such arbitration, but if unhappy with the result, they can come back to the court and ask for a trial. Though the judge is not bound by the rejected arbitration award, one can assume that some issues and facts are clarified during the arbitration procedura and the trial can be shorter and less costly.

Such a system of court-administered arbitration was very popular with Philadelphia courts when I visited them in 1980 and is apparently equally popular with courts in most states of the Union. A survey carried out by the Institute for Civil Justice[2] found that parties, who experienced such arbitration, liked it. Coulson writes: "The hearing brings adversaries together at a time when meaningful settlement discussions can take place, facilitating resolution by breaking the inertia that exists when lawyers limit their activity to exchanging documents."[3]

Such court-annexed arbitration is discussed by the Civil Justice Review Body in three short paragraphs (375-377) of their report. They found that the scheme was opposed by the Registrars' Association, who thought it was an unnecessary addition, (why unnecessary when the existing forms of adjudication cannot manage?), by the London Solicitors Litigation Association, who thought it would prove too expensive, and the Law Centres Federation, who feared there would be no consistency in decisions (as if there was any consistency in the decision of other tribunals right to the highest).

The review body thought that a new pool of arbitrators could help reduce delay and – quite rightly – that there was not sufficient evidence, that the system would be cheaper than litigation. They concluded that a voluntary scheme of this sort could best be worked out by the Bar and the Law Society

Neither the Bar, which already operates its London Bar Arbitration Scheme, nor the Law Society seem to be in any hurry to do so. Instead, the Chartered Institute of Arbitrators cama forward with a draft proposal. They aim at voluntary arbitration, which the parties could choose as an alternative to a transfer of the case to the County Court. If tha parties opted for arbitration, the award would be final within the limits of the Arbitration Act 1979, which makes judicial review possible under certain conditions.

The arbitrator would be chosen by the parties from a panel approved by the Lord Chancellor and he would be paid out of public funds. Legal aid would be available on the same conditions as in the County Court. While in the County Court parties can be represented only by a lawyer, in court-annexed arbitration, as considered by the institute, they could be represented by anybody, possibly by an expert.

Such arbitration would probably be cheaper than County Court procedure. It might also be faster. It is likely to be more congenial as the arbitrator would speak the same language as the parties. The institute's current thinking is that such court-annexed arbitration should also differ from normal arbitration by being conducted in public.

Such court-annexed arbitration would certainly be quicker and cheaper if parties were not represented by lawyers, but when choosing between County Court and arbitration, the parties would, as a rule already be represented by lawyers. One imagines that they would retain these lawyers for arbitration and that lawyers would not be very keen on advising arbitration if they knew that this would be the end of their involvement.

As the proposal envisages arbitration as an alternative to transfer of the case to County Court, it means that it would deal only with cases which were neither complex, nor very important for the development of law, nor very substantial as far as the money at stake was concerned. One could easily envisage certain limits on representation by lawyers: for example, one lawyer only, either solicitor or barrister. But such a proposal would be likely to unite the profession against it.

[1] *Robert Coulson, The Future of Private Dispute Resolution in the United States. Arbitration, August 1988, pages 154, 155.*
[2] *Ebener and Betancourt, Court-Annexed Arbitration: The National Picture. N-2257-ICJ.*
[3] *As note 1.*

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Anthony Wieler Unit Tst Mgmt Ltd (1000)F
19 Widegate St, London E1 7HP 01-377 1010

	Init Chge	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Income	5	102.1	104.7	111.9	..... 1.4
Do Accum	5	143.6	147.2	156.6	..... 1.4
Quarterly Income	5	52.07	53.67	57.10	..... 7.0

Arkwright Management (1400)F
1 King St, Manchester M60 3AH 061-832 0242

	Init Chge	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Sept 20	5	90.60	90.60	96.38	..... 2.32
Income Sept 20	5	45.34	46.08	49.02	..... 5.02

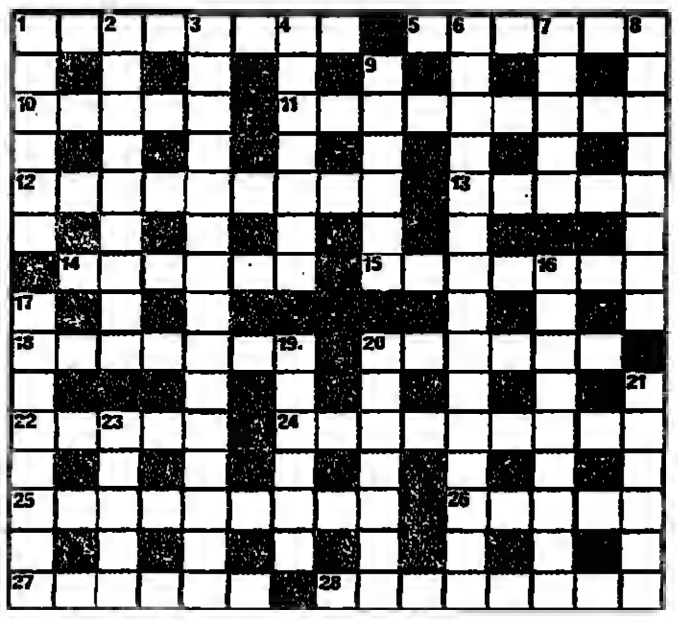
I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD
Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

FT 30	FTSE 100	WALL STREET
Sep. 1440/1449 +20	Sep. 1785/1795 +24	Sep. 2092/2104 +2
Dec. 1454/1463 +20	Dec. 1802/1812 +24	Dec. 2098/2110 +2

Prices taken at 5pm and change is from previous close at 9pm

CROSSWORD

No. 6,740 Set by DINMUTZ



ACROSS

1 Banger (with a bit missing) on motorway – that is deli-quency! (8)
5 Longing for new T-shirt (6)
10 The French hail and fare-well (5)
11 Wherein Alice's intended stood guard, next to tree (6-3)
12 Delightful English composer absorbing Channel Islands circle (9)
13 Showgirl who got it finally? (5)
14 Marbles on the way north – and south (6)
15 Burst forth to scatter seed and shed ice perhaps (7)
18 She must have hard lines sometimes (7)
20 To scrape bottom, doctor has slight advantage (6)
22 Head ornameot nf Letitia Ravenscroft? (5)
24 Preserve to harm Freoch patient (9)
25 Rough rip in remand-home gets a flea in the ear (9)
26 Names of sisters embracing love? (5)
27 Find place and settle (6)
28 Racehorses that are bad lots at end of flat? (8)

DOWN

1 Complaint of boy in spring-time (6)
2 Showy sort of express left straightaway (9)
3 He stitches paper roughly – to improve our delivery? (6,9)
4 Flatulent? Use sago properly cooked (7)
6 Lucky draw? (9,6)
7 Teacher's pet not allowed to finish (5)
8 Ordinary citizen overrated, he thinks (8)
9 Fresh peacamakers employed (6)
16 Uoderwriter's kind of tune? (9)
17 Beethoven's work has part also for transposing (8)
19 Ambition is to get up in mis-deed like a monkey (6)
20 One who taunts the Camp-town jockey? (7)
21 Learner relaxes and con-tracts (6)
23 A pepper, say, used end-lessly in savoury jelly (5)

Solntion to Puzzle No.6,739

London & Manchester (Tst Mgmt) Ltd (1000)H
Winslade Park, Exeter EX5 1DS 0392 282673

	Init Chge	Bid Price	Offer Price	+ or -	Yield Gr's
American	5	30.13	30.45	32.32	-0.05 0.8
General	5	47.48	47.72	50.66	+0.04 3.7
Income	5	42.78	43.21	45.87	+0.53 6.0
International	5	35.26	35.58	37.77	+0.10 0.9
Japan	5	49.81	50.04	53.12	-0.32 –
Tst of Inv Trusts	5	35.06	35.85	38.06	+0.23 2.0

GUIDE TO UNIT TRUST PRICING

The data included under the Authorised section of the FT Unit Trust Information pages is being expanded to improve the service to readers and to conform with new legislation.

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold.

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: ♥ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♣ - 1401 to 1700 hours; ♠ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that prices are set on a historic basis. This means that, unless there has been no intervening portfolio revaluation, investors can normally buy and sell units today at the prices appearing in the newspaper which have been set on the basis of yesterday's asset value.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.
Other explanatory notes are contained in the last column of the FT Unit Trust Information pages.

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هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

TSB Unit Trusts (y) (1000)F
Charlton Pl, Andover, Hants. SP10 1RE 0264 63434

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
TSB American	5	100.64	100.64	106.93	+0.27	2.11
Do Accum	5	108.02	108.02	114.77	+0.30	2.11
TSB Brit Growth	5	52.78	52.78	56.15	+0.79	3.37
Do Accum	5	55.23	55.23	58.76	+0.82	3.37
TSB European	5	50.28	50.41	53.63	+0.09	1.15
Do Accum	5	51.65	51.78	55.09	+0.09	1.15
TSB Extra Income	5	141.74	143.41	152.56	+1.98	5.43
Do Accum	5	182.96	185.10	196.92	+2.03	5.43
TSB Smaller Cos	5	51.86	51.86	55.17	+0.46	1.24
Do Accum	5	52.78	52.78	56.15	+0.47	1.24
TSB General	5	172.91	172.91	183.95	+2.18	3.41
Do Accum	5	299.31	299.31	318.41	+3.77	3.41
TSB Gilt & Fxd Int	3¼	46.99	46.99	48.60	+0.28	9.07
Do Accum	3¼	70.95	70.95	73.38	+0.43	9.07
TSB Income	5	255.29	255.29	271.59	+4.32	5.15
Do Accum	5	426.72	426.72	453.96	+7.20	5.15
TSB Pacific	5	200.99	202.20	215.11	-0.97	0.33
Do Accum	5	208.97	210.23	223.65	-1.01	0.33
TSB International	5	319.88	319.88	342.17	-0.02	1.04
Do Accum	5	402.37	402.37	429.16	-0.02	1.04
TSB Nat Resources	5	59.74	60.29	64.14	+0.40	1.42
Do Accum	5	62.79	63.37	67.42	+0.40	1.42
TSB Sictn Opps	5	76.83	76.83	81.73	+0.83	2.44
Do Accum	5	87.67	87.67	93.27	+0.95	2.44

Target Trust Mngrs Ltd (1600)H
Target Hse, Gatehouse Rd, Aylesbury, Bucks.
Admin: 0296 394000 Dealing: 01-379 0860

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
American Eagle	5	64.17	64.17	68.51	+0.04	0.86
Australia	5	7.208	7.208	7.723	-0.06	0.10
Commodity	5	73.94	73.94	79.86	+1.30	0.62
Convertible	5	139.4	142.0xd	152.6	-2.1	5.01
Equity	5	145.4	145.4	156.7	+1.7	3.33
Euro Spec Sits	5	78.41	78.41	84.34	+0.23	1.61
Financial	5	30.00	30.00xd	32.40	+0.10	2.30
Global Opps Inc	5	55.45	55.45	59.78	+0.28	0.63
Global Opps Acc	5	55.45	55.45	59.78	+0.28	0.63

MIM Ltd

	Bid Price	Offer Price	+ or -	Yield Gr's
Mngd Pens (Acc)	53.5	57.0	—	0.80

Murray Johnstone UT Mngmt
Murray Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gr's
Amer Expt Sept 21	40.6	42.2	—	2.28
Euro Expt Sept 21	40.6	42.6	—	2.59
Fixed Int Ex Sept 21	48.1	50.4	—	9.8
Japan Expt Sept 21	52.4	54.3	—	0.47
Managed Ex Sept 15	37.5	39.0	—	4.68
SE Asia Expt Sept 21	35.4	37.1xd	—	2.20
Sm Cos Expt Sept 21	42.8	44.9	—	2.81
UK Eqty Ex Sept 21	33.8	35.4xd	—	4.57

New Court Property Fund Managers

	Bid Price	Offer Price	+ or -	Yield Gr's
NC Property	189.5	199.5	—	—

Phillips & Drew Fnd Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gr's
PDFM Small Co Fd2/9	772.0	817.0	—	3.75
Do Accum	798.0	844.8	—	3.75
PDFM Int Expt Sep 15	126.3	128.3	—	2.69

J. Rothschild Fund Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gr's
Intl Exempt	91.60	92.75	—	2.90

INSURANCES

AA Friendly Society
(Investment Mngt M & G Inv Mngt Ltd)
AA Friendly Sv Sept 8 ... 134.9 — —

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

OTHER UK UNIT TRUSTS

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

	Bid Price	Offer Price	+ or –	Yield Gross
Pearl Assurance (Unit Funds) Ltd				
252 High Holborn, London WC1V 7EB 01-405 8441				
Prop. Dist. (Gross)	174.5	183.7	–	–
Prop. Acc. (Gross)	282.6	297.5	-0.1	–
Equity (Gross)	647.0	681.9	+0.2	–
Managed (Gross)	466.2	490.8	+4.6	–
Prop. Acc. (Net)	130.6	137.5	–	–
Equity (Net)	131.9	159.9	+1.4	–
Managed (Net)	143.5	151.1	+1.1	–
Internat'nal (net)	131.0	137.9	+0.4	–
Gilt & Fxd Interest	99.2	104.5	+0.1	–
Money Fund	100.9	106.2	–	–
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	440.3	463.5	+4.3	–
Ret Man (Series 2)	149.3	157.2	+1.4	–
Ret Man (Series 3)	98.3	98.3	+1.0	–
Ret Cash	124.9	131.4	–	–
Ret Cash (Series 3)	102.3	102.3	–	–
Phoenix Assurance Co Ltd				
Phoenix House, Redcliff Hill, Bristol 0272 294941				
Life Assurance Funds				
Wealth Assd	386.4	406.9	+2.4	–
Eb'r Ph. Eq.	329.4	350.5	–	–
Pension Plan Funds				
Phoenix				
UK Equity Acc.	167.3	176.1	+2.0	–
International Acc.	142.6	150.0	+0.9	–
Property Acc.	148.2	156.0	–	–
Fixed Interest Acc.	154.8	162.9	+0.4	–
Money Acc.	144.2	151.7	+0.1	–
Bldg. Soc. Link Acc.	140.9	148.3	–	–
Special Mngd Acc. 0	152.4	160.4	+1.2	–
Phoenix/Framlington				
Intnl. Growth Acc.	88.00	93.40	+0.20	–
Am. Smllr. Cos. Acc.	90.10	94.00	+0.30	–
Capital Tst. Acc.	171.2	180.2	+0.7	–
Japan & Gen Acc.	188.4	198.3	-2.1	–
American Turn. Acc.	99.30	104.5	+0.7	–
Recovery Tst. Acc.	178.3	187.6	+1.2	–
Special Mngd Acc.	148.5	156.3	+0.7	–
Phoenix/GT				

	Bid Price	Offer Price	+ or –	Yield Gross
Provident Life Assoc Ltd				
Provident Way, Basingstoke RG21 2SZ 0256 470707				
Unit Fund	879.7	923.7	+5.5	
Equity Fund	190.6	208.5	+1.8	
International Fd.	131.8	138.4	-0.5	
Fixed Interest Fd.	148.8	156.2	+1.1	
Property Fund	172.7	181.3	–	
Index-Linked Fund	124.8	131.0	+0.3	
Deposit Fund	130.1	136.6	+0.0	
Pens Mixed (Ord) Fd.	203.0	213.2	+1.3	
Gold Pensions				
Discretionary Fund		98.4	+0.6	
Equity Fund		96.8	+0.8	
Fixed Interest Fund		102.5	-0.8	
International Fund		98.5	-0.4	
Property Fund		100.0	–	
Index-Linked Fund		101.7	+0.2	
Deposit Fund		101.9	+0.1	
S & F Consolidation		100.5	+0.6	
S & F Balanced		97.2	+0.6	
S & F Maximum Growth		93.9	+0.5	
Provident Mutual Life Assc. Assn.				
Willian Rd, Hitchin, Herts SG4 0LP 0438 7...				
Managed Ord.	283.0	297.9	+1.7	
Managed Init.	233.1	245.4	+1.5	
Equity Ord.	393.3	414.0	+4.1	
Equity Init.	323.8	340.8	+3.2	
Index Linked Gilt Ord.	123.2	129.7	–	
Index Linked Gilt Init.	105.9	111.5	+0.1	
Overseas Equity Ord.	257.4	270.9	+0.8	
Overseas Equity Init.	212.0	223.2	-0.8	
Property Ord.	172.4	181.5	–	
Property Init.	142.0	149.5	–	
Fixed Interest Ord.	168.4	177.3	+0.5	
Fixed Interest Init.	138.7	146.0	+0.4	
Deposit Ord.	136.0	143.2	–	
Deposit Init.	112.0	117.9	–	
Pension Funds				
Managed Ord.	341.6	359.6	+2.5	
Managed Init.	281.3	296.1	+2.1	
Equity Ord.	491.7	517.6	+6	
Equity Init.	404.9	426.2	+4.9	
Pen Ind Lkd Gilt Ord.	132.8	139.8	+0.1	

	Bid Price	Offer Price	+ or –	Yield Gross
LAS CGF	78.1	82.4	–	–
Royal Heritage HIF	128.6	135.4	–	–
Pru Holborn HIF	118.0	124.3	–	–
LAS HIF	83.6	88.2	–	–
Royal Heritage HIB	114.4	120.5	–	–
Silitala Offshore Funds				
Royal Life CGF	94.7	101.9	–	–
Royal Life HIF	99.7	107.3	–	–
Silitala Pension Funds				
Royal Heritage MPF	128.8	135.6	–	–
Crown Life GMPF	93.7	100.7	–	–
Tattersall Investment Mngt. Ltd				
Waverley Ct, Wittell Rd, Lichfield, Staffs. 0543 414848				
TIM Mngd Growth Fd.	101.6	106.8	–	–
Exempt Fd (Accum)	93.3	98.3	–	–
Towry Law & Co				
57 High St, Windsor, SL4 1LX 0753 868244				
Albany Life	97.5	102.6	–	–
Clerical & Medical (z)	101.4	106.8	-0.1	–
Guardian Royal Exch.	87.7	92.4	+0.4	–
M & G Ass (Life)	107.2	112.6	–	–
M & G Ass (Pens)	119.4	125.5	–	–
S. M. Schroder	88.0	92.6	+0.2	–
S. M. Schroder Pens.	88.4	93.0	+0.3	–
Norwich Union Aust Mgt.	49.8	52.5	+0.5	–
Royal Life (UnitLinkAsd)	99.40	104.60	–	–
Scot Equitable (Life)	134.7	141.8	-0.36	–
Scot Equitable (Pens)	98.5	103.7	-0.2	–
Scot Mutual (Life)	149.7	157.6	-0.3	–
Scot Mutual (Pens)	136.5	143.7	–	–
Scot Mutual Venture Fd.	99.8	105.1	+0.1	–
Prudential Holborn	100.9	106.3	-0.1	–
University Medical General Ltd.				
29 Gt George St, Bristol BS1 5QT 0272 276354				
TIM Fd No. 1 (Standard)	94.2	94.1	-0.2	–
J. D. Ward Financial Services Ltd				
9 Kingsway, London, WC2 B6XF. 01-836 4321				
Target Mngd Bond	175.6	184.9	+0.3	–
Target Mngd Pension	106.4	112.0	–	–
Ward Consultancy				
Milley Lane, Hare Hatch, RG10 9TH 073522 4111				
WC Grth Inc Fund	86.1	90.8	+0.7	–
WC Scot Eq Perf Bond	93.4	98.3	-0.4	–
WC Scot Eq Mang Pens	90.2	94.9	+0.7	–
Yorkshire & Lancashire Investment Mgt.				
Sarbiton House, Clitheroe, 087 2JN 0200 28066				
Growth & Income (RH)	155.0	163.2	–	–
Ultra Bond (Roy.H)	152.5	159.5	–	–
Global Managed (Schr.)	152.4	160.4	–	–
Pension Fund (Roy.H)	115.4	121.5	–	–
High Inc Bd (P.Capl)		101.0	–	–

OFFSHORE AND OVERSEAS

UK LISTED

	Bid Price	Offer Price	+ or –	Yield Gross
Allied Dunbar International Fund Mgrs.				
Allied Dunbar House, Douglas, IoM 0624 29411				
A.D.I. Managed (z)	$0.4689	0.4993	-0.0007	–
A.D.I. Mngd Currency(z)	$0.3212	0.3420	+0.0017	–
A.D.I. WorldwideEq(z)	$0.5083	0.5413	+0.0015	–
A.D.I. Nth Amer Gth(z)	$0.4247	0.4523	+0.0021	–
A.D.I. Far East 00	$0.8642	0.9203	-0.0077	–
A.D.I. Stlg Fxd Int(z)	£0.2585	0.2753	+0.0007	–
A.D.I. UK Cap Grth (z)	£0.1794	0.1910	+0.0013	–
A.D.I. Europe Fund (z)	DM0.7893	0.8392	-0.0003	–
The Bangkok Fund				
c/o 18/20 The Pollett, St. Peter Port, Guernsey				
Merrill Lynch Intl Capital Mngmt (Gsy) Ltd				
Tel: 0481 710651 Fax: 0481 710284				
Sept 21 NAV US$37.12xd Baht (947.73xd)(for info only)				

	Bid Price	Offer Price	+ or –	Yield Gross
US Dollar Money	$28.528		+0.01	7.866
Sterling Money	£16.056		+0.00	9.770
Yen Money	Y6173.121		+0.54	2.962
Deutschemark Money	DM59.634		+0.01	4.284
Swiss franc Money	SFr45.236		+0.01	4.003
Mngd Currency Acc.	$49.44	51.66	+0.18	–
Mngd Currency Dist.	$35.07	36.65	+0.13	–
Intl Prime Bond	$21.98	22.92	+0.09	–
Intl High Yld Bond	$20.42	21.31	+0.01	–
Gilt Plus	£10.04	10.55	+0.05	–
Intl Balncd Grth	$20.10	21.02	+0.02	–
Intl Conv & Equity	$20.34	21.32	-0.02	–
The 1992 Fund	£9.95	10.49	+0.04	–
Global Strategy Fund (Daily)				
US$ Money Fund	$20.32	21.17	+0.00	7.319
Sterling Money Fund	£10.20	10.63	+0.00	9.627
Yen Money Fund	Y5028.42	5237.94	+0.55	3.641
DM Money Fund	DM50.40	52.51	+0.00	3.903
Managed Currency Fund	$33.96	35.49	+0.13	4.67
Global Bond Fund	$27.97	29.21	+0.17	4.39
Global High Inc Bd Fd.	$20.85	21.84	+0.03	11.04
US$ Bond Fund	$21.99	22.83	+0.00	6.16
Gilt & Stlg Bond	£10.48	10.98	+0.04	9.02
Stelng Ind Lkd Gilt Fd.	£10.58	11.10	+0.01	2.43
Yen Bond Fund	$34.72	36.36	+0.23	3.61
European Bond Fd.	$25.37	26.53	+0.03	5.66
Global Convtbl Fund	$17.65	18.48	+0.04	3.2
Global Equity Fund	$47.59	50.42	-0.05	1.7
North American Fund	$22.50	23.90	+0.01	0.9
UK Fund	£17.19	18.21	+0.06	3.3
Japan & Pacfc Fd.	$62.51	66.52	-1.10	0.4
European Fund	$65.71	69.92	+0.26	1.4
Global Energy Fund	$22.86	24.34	-0.10	1.2
Global Leisure Fund	$54.45	57.76	+0.02	2.2
Global Technology Fund	$19.97	21.13	+0.15	1.5
All offer prices quoted inclusive of 4% initial charge except GFIF Money Funds. Conv £25 each and bid to offer less 4%.				
Hambros Fd Mgrs (CI) Ltd				
PO Box 86, Guernsey 0481 26521				
EMMA Managed	£5.14	5.34	+0.01	7.61
EMMA £ Bond	£4.76	4.95	+0.02	9.97
EMMA $ Bond	$24.48	25.45	+0.05	7.60
EMMA A$ Bond	A$24.21	25.27	-0.02	12.52
EMMA NZ$ Bond	NZ$24.84	25.94	+0.01	13.22
EMMA C$ Bond	C$24.42	25.50	–	9.12
EMMA Yen Bond	Y2419	2505	–	4
EMMA Cont Eur Bond	DM47.98	50.11	+0.03	6.01
EMMA £ Money	£10.22	10.59	+0.01	9.69
EMMA $ Money	$15.41	15.96	–	7.59
EMMA A$ Money	A$24.79	25.66	–	11.91
EMMA NZ$ Money	NZ$24.87	25.75	–	12.61
EMMA C$ Money	C$24.62	25.49	+0.01	9.43
EMMA Yen Money	Y3023	3129	–	3.85
EMMA Cont Eur Money	DM48.68	50.40	+0.01	4.51
Currency Sterling	£26.59	26.65	+0.05	10.92
Currency US $	$19.66	19.67	+0.01	7.76
Currency DM	DM46.04	46.05	+0.01	4.74
Currency Swiss Francs	SFr32.14	32.15	–	2.38
Currency Yen	Y3544	3545	-0	4.24
Currency £ Managed	£14.85	15.47	+0.04	10.32
Currency $ Managed	$22.35	23.25	+0.03	7.80
Hellerup Scandinavian Fund Ltd				
Scandinavia Fd.	142.9	150.4	–	2.0
Hill Samuel Fund Mngrs (Jersey) Ltd				
Jersey, PO Box 63 Telex 4192274 Tel 0534 76029				
Fixed Int (£ Bond)	£1.171	1.299xd	+0.04	9.40
Intnl. Bond Fund				
Sterling Managed	£10.59	11.29	–	7.80
US Dollar Managed	$12.71	13.55	+0.01	7.19
Intnl. Currency Fund				
Sterling Managed	£21.16	22.28	-0.05	–
US Dollar Managed	$24.51	25.81	+0.02	–
Sterling	£17.83	–	+0.01	–
US Dollar	$31.53	–	+0.01	–
Deutschmark	DM50.93	–	–	–
Japanese Yen	Y4282	–	–	–
Swiss Franc	SFr39.97	–	–	–
Ivory & Sime (Guernsey) Ltd				
PO Box 208, St Peter Pt, Guernsey 0481 22423				
Atlas Fund				
Global Cap Portfolio	$1.942	2.060	-0.010	–
United States Portfolio	$1.954	2.073	+0.005	–
United Kingdom Portfolio	£0.942	0.997	–	–
Cont Europe Portfolio	DM3.212	3.405	+0.006	–
Japan Portfolio	$8.926	9.464	-0.014	–
Pacific Portfolio	$2.063	2.188	+0.008	–
Gold Portfolio	$1.572	1.667	+0.077	–
UK Growth of Income	£0.973	1.031	+0.005	–
Sterling Gilt Portfolio	£0.979	1.039	+0.002	–
Dollar Bond Portfolio	$2.000	2.100	–	–
Global Bond Portfolio	$1.930	2.047	+0.002	–
Dollar Portfolio	$2.100	2.101	+0.001	–
Yen Portfolio				

MANAGEMENT SERVICES

OFFSHORE INSURANCES

FT UNIT TRUST INFORMATION SERVICE

OTHER OFFSHORE FUNDS

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1988 High	1988 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
99[illegible]	83[illegible]	Redemption 3pc 1986-96	99[illegible]	.....	–	–
100[illegible]	99[illegible]	Treas. 9½pc '88	99[illegible]	.....	9.52	11.34
102[illegible]	99[illegible]	Treas 11½pc 1989	99[illegible]	.....	11.51	11.43
101[illegible]	98[illegible]	Treas 9½pc Cnv 1989	99[illegible]	+[illegible]	9.59	11.35
97[illegible]	95[illegible]	Treas 3pc 1989	96[illegible]	+[illegible]	3.11	8.59
102[illegible]	99[illegible]	Treas 10½pc 1989	99[illegible]	+[illegible]	10.56	11.28
102	98[illegible]	Exch 10pc 1989	99	+[illegible]	10.10	11.26
103[illegible]	99[illegible]	Exch 11pc 1989	99[illegible]	.....	11.01	11.14
97[illegible]	94[illegible]	Treas 5pc 1986-89	95[illegible]	.....	5.25	9.86
104[illegible]	98[illegible]	Exch 10½pcCv '89	99[illegible]	+[illegible]	10.34	10.99
107½	102[illegible]	Treas 13pc 1990‡‡	102[illegible]	.....	12.64	10.52
104[illegible]	100[illegible]	Exch 11pc 1990‡‡	100[illegible]	.....	10.94	10.52
107[illegible]	102[illegible]	Exch. 12½pc 1990	102[illegible]	–[illegible]	12.20	10.68
93[illegible]	90[illegible]	Treas 3pc 1990	91	+[illegible]	3.30	9.08
99[illegible]	95[illegible]	Treas 8¼pc 1987-90‡‡	96[illegible]	+[illegible]	8.56	10.54
102[illegible]	95[illegible]	Treas. 8pc Cv 1990 ‡‡	97	+[illegible]	8.25	9.85
103[illegible]	98[illegible]	Treas. 10pcCv 1990	98[illegible]	.....	10.12	10.65
91[illegible]	87[illegible]	Exch 2½pc 1990	87[illegible]	.....	2.85	8.76
107[illegible]	101[illegible]	Treas 11¾pc 1991	102[illegible]	–[illegible]	11.50	10.63
95[illegible]	90[illegible]	Funding 5¾pc '87-91‡‡	90[illegible]	+[illegible]	6.32	9.87
90[illegible]	86[illegible]	Treas. 3pc 1991	86[illegible]	.....	3.47	8.87
105[illegible]	98[illegible]	Treas 10pc Cv '91 ‡‡	99	+[illegible]	10.10	10.41
107[illegible]	100[illegible]	Exch. 11pc 1991	101[illegible]	.....	10.86	10.52
98[illegible]	92[illegible]	Treas 8pc 1991	93[illegible]	–[illegible]	8.58	10.52
113[illegible]	105[illegible]	Treas 12¾pc 1992‡‡	106[illegible]	–[illegible]	11.99	10.42
104[illegible]	98[illegible]	Treas 10pc 1992	98[illegible]	–[illegible]	10.12	10.40
98[illegible]	92[illegible]	Treas. 8pc 1992 ‡‡	92[illegible]	–[illegible]	8.61	10.42
106[illegible]	99[illegible]	Treas 10½pc Cv 1992‡‡	100[illegible]	–[illegible]	10.47	10.40
86[illegible]	82[illegible]	Treas. 3pc 1992	82[illegible]	–[illegible]	3.64	8.61
112[illegible]	104[illegible]	Exch. 12¼pc '92	105[illegible]	–[illegible]	11.58	10.41
117[illegible]	108[illegible]	Exch 13½pc 1992	109[illegible]	–[illegible]	12.29	10.42
97[illegible]	91[illegible]	Treas 8¼pc 1993	92[illegible]	–[illegible]	8.90	10.35
105[illegible]	97[illegible]	Treas 10pc 1993‡‡	98[illegible]	–[illegible]	10.10	10.29
115[illegible]	107[illegible]	Treas 12½pc 1993‡‡	107[illegible]	–[illegible]	11.58	10.35
93[illegible]	87[illegible]	Funding 6pc 1993‡‡	[illegible]	–[illegible]	6.82	9.04

Five to Fifteen Years

Over Fifteen Years

BRITISH FUNDS – Contd

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

Continued on next page

Money Market Trust Funds

Money Market Bank Accounts

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Contd

1988 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
27¼	22⅞	Texas Instr. $1	23⅜	–⅞	72c	–	1.8
69	43¼	Time Inc. $1	63	–6	$1.00	–	0.9
21⅛	15⅞	Transamerica $1	21⅞	+⅜	$1.84	–	5.1
20⅛	14½	TRINOVA Corp.	16	.....	64c	–	2.3
19	15⅛	USX $1	16½	–¼	$1.20	–	4.3
23	17⅝	Utd. Technologies	22⅞	+⅛	$1.60	–	4.1
33½	26¼	US West	33⅛	+⅛	$3.52	–	6.2
24⅜	16⅞	Waste Management $1	24	–⅛	48c	–	1.2
16⅞	12⅞	Whirpool $1	15¼	+⅛	$1.10	–	4.2
32⅞	18¼	♥Woolworth $3½	31⅞	+⅜	$1.64	–	3.0

CANADIANS

1988 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
309p	173p	ABM Gold Corp	[illegible]	+13	–	–	–
32p	11p	♥Abbot Energy Corp.	13½	.....	–	–	–
14⅛	916p	♥Amer. Barrick Res.	[illegible]	+13	–	–	–
10p	3p	American Lightwave	[illegible]	–½	–	–	–
47p	12p	♥Armeno	[illegible]	.....	–	–	–
76p	43p	Augmitto Explo.	45p	–3	–	–	–
14⅛	10⅝	Bk. Montreal	[illegible]	+⅛	$2.00	–	6.9
740p	514p	Bk. Nova Scot.	[illegible]	+8	76c	–	5.0
18⅜	15¼	BCE	[illegible]	.....	$2.44	–	6.6
716p	591p	♥Bow Valley	[illegible]	–11	40c	–	3.0
13⅝	10½	♥Brascan	[illegible]	+⅛	88c	–	3.4
328p	189p	♥Breakwater Res.	[illegible]	–7	10c	–	2.5
12	801p	Can Imp Bank	[illegible]	.....	$1.16	–	4.7
11½	841p	Can. Pacific	10¼	+⅛	60c	–	2.8
41½	40	Do 4pc Deb £100	40½	.....	4%	–	9.9
515p	362p	Central Capital "A"	452p	–18	–	–	–
485p	378p	♥Corona Corp	385p	.....	–	–	–
886p	288p	Cons TVX Min.	336p	–6	–	–	–
371p	76p	Danbus Res.	293p	.....	–	–	–
686p	430p	Derlan Inds.	587p	+1	11.75c	–	1.0
14⅛	947p	♥Echo Bay Mines	972p	+14	$0.07	–	0.4
40p	15p	Energex Minerals	18p	+1	–	–	–
125p	83p	Euro-Asia Capital Ltd.	99p	–4	–	–	–
386p	222p	♥Galactic Resources	300p	+1	–	–	–
125p	88p	♥Geodome Res.	88p	.....	–	–	–
394p	164p	Granges Explo	164p	–19	–	–	–
17p	7p	♥Gt Pacific Res.	7p	.....	–	–	–
903p	652p	♥Gulf Canada	813p	+1	52c	–	3.1
12⅛	816p	♥Hawker Sid Can	10⅝	.....	$1.08	–	4.9
590p	344p	Henlys Group	489p	+1	–	–	–
957p	785p	♥Hudson's Bay	917p	+2	60c	–	3.2
28	22⅞	♥Imperial Oil	24⅛	.....	$1.80	–	3.5
20⅞	10¼	Inco	16⅛	+⅛	US$0.80	–	2.8
718p	462p	♥Inland Nat. Gas $1	569p	+7	60c	–	5.1
250p	149p	Madeleine Mines	149p	–7	–	–	–
207p	126p	♥Muscocho Explo	179p	–2	–	–	–
187p	65p	♥Nu/ Business Syst.	73p	.....	–	–	–
245p	110p	♥Nevada Goldfields	171p	–2	–	–	–
12	787p	♥Rio Algom	10⅜	.....	$1.30	–	6.1
16⅞	11½	Royal Bk. Can.	16⅞	.....	$2.08	–	6.0
34⅜	26⅝	Seagram	32⅞	–⅛	US$1.20	–	2.1
361p	157p	♥Sonora Gold Corp	137p	.....	–	–	–
121p	18p	Spiral Eng.	49p	.....	–	–	–
150p	35p	Tara Pure Tech. Corp.	126p	–1	–	–	–
17½	11⅜	Toronto-Dom. Bk.	17⅜	.....	$1.12	–	3.1
64p	12p	♥Trans Atlantic Res	15p	+2	–	–	–
684p	566p	♥Trans Can Pipe	636p	+2	68c	–	5.2
205p	127p	Varity Corp	171p	+3	–	–	–

BANKS, HP & LEASING

1988 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
*251	124	ANZ $A1	245	–2	†Q21c	3.1	4.1	7.8
*261	180	Allied Irish	228	+5	‡Q72.9%	3.1	6.7	6.6
£13¼	£10¼	Algemene Fl.1&	£12	+⅛	Q27%	1.9	6.4	–
73	56	Anglo Irish	65	.....	Q19.69%	1.2	6.3	20.3
90	64	Ansbacher (H.) 1p	84	+1	2.0	–	3.2	–
£40½	£24⅝	Banco de Bilbao S.A.	£35½	+⅛	Q67.2%	5.1	4.6	6.8
£35⅞	£27⅞	Banco de Santander	£30⅞	.....	Q22%	2.4	1.7	24.2
*268	184	Bank Ireland Ir£1	226	+5	Q15.67%	3.3	5.8	7.0
[illegible]								

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.)—Contd

[illegible]

INDUSTRIALS (Miscel.)—Contd.

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

حملنا من الأصل

هكذا من الأصل

LONDON SHARE SERVICE

LEISURE—Contd

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Contd

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS, FINANCE, LAND—Contd

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Contd

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Contd

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

[illegible]

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. *Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- ♯ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress
- ◆ Not comparable
- ◆ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p....γ	72	+1
Craig & Rose £1..γ	690	......
Finlay Pkg. 5p....γ	86	......
Holt (Jos) 25p....γ	£11¾	−⅛

IRISH

Cap. 0½% Ln. 1991...	£98¾	......
9pc Cap Ln. 1996..	£88¾	+¼
Fin. 13% 97/02...	£129	......

Arnotts.........γ	365	+13
Carroll Inds........γ	160	+4
Gmiton Grp........γ	127	......
Hall (R. & H.)......	165	+6
Helton Hldgs.......γ	56	−1
Irish Ropes.........γ	163	......

TRADITIONAL OPTIONS
3-month call rates

Industrials	p
Allied-Lyons	95
Amstrad	16
BAT	36
BOC Grp	36
BSR	8
BTR	22
Barclays	35
Beecham	42
Blue Circle	38
Boots	19
Bowaters	35
Brit. Aerospace	35
Brit. Telecom	22
Burton Ord	21
Cadburys	32
Charter Cons	30
Comm Union	34
Courtaulds	34
FKI Babcock	12
FNFC	23
Gen Accident	85
GEC	13
Glaxo	85
Grand Met	45
GUS 'A'	95
Guardian	85
GKN	28
Hanson	12
Hawker Sidd	48
ICI	72
Jaguar	26
Ladbroke	38
Legal & Gen	25
Lex Service	33
Lloyds Bank	26
Lucas Inds	50
Marks & Spencer	17
Midland Bk	37
Morgan Grenfell	30
NEI	18
Nat West Bk	52
P & O Dfd	52
Plessey	16
Polly Peck	30
Racal Elect	32
RHM	30
Rank Org Ord	64
Reed Intnl	36
STC	24
Sears	11
TI	28
TSB	9
Tesco	14
Thorn EMI	40
Trust Houses	21
T&N	17
Unilever	42
Vickers	16
Wellcome	45
Property	
Brit Land	30
Land Securities	52
MEPC	52
Peachey	50
Oils	
Brit. Gas	15
Brit Petroleum	24
Burmah Oil	50
Charterhall	5
LASMO	40
Premier	7½
Shell	95
Ultramar	26
Mines	
Cons Gold	95
Lonrho	28
RTZ	35

A selection of Options traded is given on the London Stock Exchange Report Page

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Sep 21 1988 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1988 to date	Tue Sep 20 Index No.	Mon Sep 19 Index No.	Fri Sep 16 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (210)	774.86	+1.5	10.96	4.27	11.28	20.19	763.49	758.37	761.21	986.69
2	Building Materials (29)	970.60	+2.1	12.24	4.45	10.09	24.47	950.65	945.99	949.14	1215.17
3	Contracting, Construction (37)	1531.84	+1.2	11.61	3.74	11.22	34.17	1512.43	1510.97	1514.07	1839.26
4	Electricals (12)	2137.61	+1.2	0.41	4.88	13.00	54.89	2112.67	2083.18	2075.59	2523.42
5	Electronics (28)	1664.23	+0.8	10.69	3.74	12.04	40.48	1650.86	1638.25	1648.68	2093.26
6	Mechanical Engineering (58)	402.79	+1.2	10.74	4.40	11.45	10.62	397.87	394.96	396.54	524.84
8	Metals and Metal Forming (7)	481.56	+2.6	10.10	4.02	12.24	10.06	469.53	465.15	467.68	569.25
9	Motors (16)	274.58	+2.0	11.02	4.82	9.68	7.80	260.20	266.79	266.91	400.34
10	Other Industrial Materials (23)	1316.41	+1.7	9.88	4.64	12.02	41.77	1293.97	1284.64	1198.73	1732.74
21	CONSUMER GROUP (185)	1049.35	+1.1	9.56	3.82	13.19	20.44	1037.79	1029.89	1033.97	1358.38
22	Brewers and Distillers (21)	1081.46	+0.1	10.92	3.80	11.55	22.90	1080.72	1072.81	1077.41	1213.48
25	Food Manufacturing (21)	054.54	+1.1	9.26	3.95	13.72	18.91	944.23	938.95	933.62	1025.91
26	Food Retailing (16)	1871.76	+1.0	9.22	3.56	14.31	38.76	1838.80	1829.34	1821.42	2485.27
27	Health and Household (12)	1850.68	+2.2	7.01	2.66	16.47	18.01	1811.60	1788.81	1801.59	2652.23
29	Leisure (30)	1319.24	......	9.32	3.88	13.76	29.68	1319.75	1310.55	1313.84	1422.12
31	Packaging & Paper (17)	510.89	+1.3	10.27	4.21	12.40	13.89	504.29	497.03	495.36	678.98
32	Publishing & Printing (18)	3281.57	-0.4	9.03	4.69	13.81	74.44	3293.37	3256.50	3275.24	4799.72
34	Stores (34)	759.82	+1.8	10.97	4.38	12.08	16.36	746.65	742.57	747.13	1113.85
35	Textiles (16)	510.53	+0.9	13.55	5.42	8.66	12.69	505.97	506.87	533.84	888.18
40	OTHER GROUPS (93)	873.44	+0.8	11.46	4.57	10.65	21.98	866.91	862.37	863.79	1165.24
41	Agencies (19)	1032.48	+1.0	8.70	2.71	14.41	18.23	1021.79	1015.93	1015.21	1730.44
42	Chemicals (21)	1035.09	+0.4	12.33	4.93	9.74	36.89	1030.74	1026.87	1030.49	1524.90
43	Conglomerates (13)	1197.13	+1.0	10.56	4.51	10.92	24.92	1185.17	1182.73	1176.96	1482.30
45	Shipping and Transport (12)	1837.46	+1.1	11.91	5.04	11.10	37.93	1816.75	1808.16	1811.42	2385.32
47	Telephone Networks (2)	939.66	+0.0	11.02	4.74	10.98	20.38	931.77	925.92	020.17	1084.64
48	Miscellaneous (26)	1183.84	+0.3	11.91	4.58	9.57	36.88	1179.98	1169.57	1193.39	1730.83
49	INDUSTRIAL GROUP (488)	942.36	+1.1	10.46	4.15	11.87	21.48	931.90	925.72	028.74	1224.42
51	Oil & Gas (12)	1765.33	+0.5	10.78	6.32	11.97	76.08	1757.33	1755.77	1777.22	2261.67
59	500 SHARE INDEX (500)	1012.12	+1.0	10.40	4.45	11.80	26.04	1001.90	996.00	1000.52	1312.52
61	FINANCIAL GROUP (121)	674.70	+0.3	–	5.25	–	22.38	672.70	666.00	664.50	868.87
62	Banks (8)	659.06	+0.8	21.69	6.62	6.18	30.77	654.73	646.85	642.55	877.55
65	Insurance (Life) (8)	989.10	-2.0	–	5.32	–	36.93	1008.83	994.20	999.83	1190.58
66	Insurance (Composite) (7)	528.00	+0.4	–	5.92	–	10.56	526.14	518.98	513.88	676.88
67	Insurance (Brokers) (7)	922.55	+0.1	10.30	6.90	12.45	44.40	921.17	016.03	910.93	1184.12
68	Merchant Banks (11)	327.02	+0.9	–	4.50	–	0.09	324.14	324.29	325.28	498.59
69	Property (50)	1163.80	+0.8	5.71	2.82	22.42	16.10	1155.00	1147.53	1149.91	1330.87
70	Other Financial (30)	358.41	+0.4	10.65	5.52	11.80	10.71	356.96	355.70	354.36	583.44
71	Investment Trusts (78)	904.09	+0.0	–	3.13	–	15.68	897.61	894.72	896.48	1177.52
81	Mining Finance (2)	610.62	+17.0	0.74	3.38	11.37	15.67	525.72	526.46	525.15	691.99
91	Overseas Traders (8)	1233.48	+2.9	9.68	4.60	12.07	35.31	1198.67	1167.87	1164.83	1272.28
99	ALL-SHARE INDEX (709)	929.50	+1.2	–	4.51	–	24.73	918.57	912.59	915.49	1198.58

	Index No.	Day's Change	Day's High	Day's Low	Sep 20	Sep 19	Sep 16	Sep 15	Sep 14	Year ago
FT-SE 100 SHARE INDEX ‡	1796.8	+24.7	1797.0	1787.7	1772.1	1759.9	1766.7	1769.3	1765.1	2352.4

FIXED INTEREST

	PRICE INDICES	Wed Sep 21	Day's change %	Tue Sep 20	xd adj. today	xd adj. 1988 to date
	British Government					
1	5 years	118.45	+0.01	118.44	–	9.35
2	5-15 years	134.82	-0.05	134.90	–	9.71
3	Over 15 years	144.25	+0.03	144.20	–	11.09
4	Irredeemables	166.10	+0.02	166.06	–	8.84
5	All stocks	131.98	-0.02	132.00	–	9.84
	Index-Linked					
6	5 years	127.37	-0.11	127.50	–	1.81
7	Over 5 years	121.09	-0.06	121.16	–	2.65
8	All stocks	121.43	-0.07	121.51	–	2.57
9	Debentures & Loans	115.47	+0.02	115.44	–	7.82
10	Preference	88.62	......	88.62	–	4.36

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sep 21	Tue Sep 20	Year ago (approx.)
	British Government				
1	Low	5 years	9.96	9.94	9.46
2	Coupons	15 years	9.60	9.59	0.70
3		25 years	9.28	9.28	9.58
4	Medium	5 years	18.35	10.34	10.14
5	Coupons	15 years	9.84	9.84	9.97
6		25 years	9.55	9.55	9.79
7	High	5 years	10.49	10.47	10.21
8	Coupons	15 years	9.97	9.96	10.14
9		25 years	9.52	9.52	9.82
10	Irredeemables	†	9.20	9.20	9.82
	Index-Linked				
11	Inflation rate 5%	5yrs.	3.45	3.39	3.36
12	Inflation rate 5%	Over 5 yrs.	3.91	3.91	4.02
13	Inflation rate 10%	5yrs.	2.30	2.24	3.35
14	Inflation rate 10%	Over 5 yrs.	3.73	3.73	4.03
15	Debs &	5 years	11.65	11.59	11.68
16	Loans	15 years	11.36	11.32	11.47
17		25 years	11.13	11.18	11.35
18	Preference	†	10.18	18.18	10.77

‡Opening index 1792.8; 10 am 1790.1; 11 am 1792.2; Noon 1793.5; 1 pm 1795.1; 2 pm 1796.2; 3 pm 1794.6; 3.30 pm 1794.1; 4 pm 1794.4

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	16	76	20
Corporations, Dominion and Foreign Bonds	25	0	25
Industrials	578	227	797
Financial and Properties	263	72	328
Oils	32	16	58
Plantations	2	0	11
Mines	34	52	107
Others	100	45	135
Totals	1,050	488	1,481

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1988 High	1988 Low	Stock	Closing Price p	+ or -	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1988 High	1988 Low	Stock	Closing Price £	+ or -
[illegible]							

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1988 High	1988 Low	Stock	Closing Price p	+ or -
[illegible]							

a Amortised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. h Dividend and yield exclude special payment. i Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. [illegible] Offered by tender. ‡ Offered to holders of ordinary shares as a "rights". ‡ Introduction. ¶ Placing price. ‖ Reintroduction. ¶ Issued in connection with reorganisation merger or takeover. ‡ Allotment price. ‖ Unlisted securities market. ◆ Official London listing. □ Including warrants entitlement. * Third Market.

TRADITIONAL OPTIONS

- First Dealings — Sep 12
- Last Dealings — Sep 23
- Last Declarations — Dec 8
- For settlement — Dec 19

For rate indications see end of London Share Service

Stocks dealt in for the call included **Eagle Trust, Barratt Developments, WA Holdings, Copson, Lonrho, Consolidated Gold Fields, Leisure Investments, Sears and RHM. No put or double options were reported.**

LONDON TRADED OPTIONS

Option		CALLS Oct	CALLS Jan	CALLS Apr	PUTS Oct	PUTS Jan	PUTS Apr
[illegible]							

Option		CALLS Nov	CALLS Feb	CALLS May	PUTS Nov	PUTS Feb	PUTS May
[illegible]							

Option		CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
[illegible]							

September 21. Total Contracts 37,888 Calls 30,810 Puts 7,078
FT-SE Index Calls N/A Puts N/A
*Underlying security price.

حلتا من الأصل

هكذا من الأصل

LONDON STOCK EXCHANGE

Minorco move revives bid speculation

BASIC INVESTMENT considerations were thrust into the background of the London stock market yesterday as takeover speculation was reignited by the £2.9bn bid for Consolidated Gold Fields (Gold Fields) from Minorco, the Luxembourg-based arm of the business empire of Sir Harry Oppenheimer, the South African magnate.

The proposed deal, likely to be the largest bid so far recorded in the UK, was seen in the market as putting a higher rating on assets of similar companies. It would also, if completed, mean a major injection of new cash into the London market.

Account Dealing Dates

First Dealings	Sep 5	Sep 19	Oct 3
Option Declarations	Sep 15	Sep 29	Oct 13
Last Dealings	Sep 16	Sep 30	Oct 14
Account Day	Sep 26	Oct 10	Oct 24

*New time dealings may take place from 9.00 am two business days earlier

The Minorco bid was a surprise only in its timing. While activity in Gold Fields shares and options had alerted the stock market to the possibility of a bid, Minorco gave no clues when reporting trading results on Tuesday.

The bid news hit the market early, and the immediate jump of £3 in Gold Fields shares, together with rises in many other speculative issues, quickly pushed major market indices ahead by around 20 points. With no significant UK economic data due yesterday and Wall Street expected to respond favourably to the latest US Consumer Price Index, there was no pause in the UK market's gain.

The FT-SE Index closed 34.7 points up at 1796.3, a shade under its best, but only four points higher than its first calculated level of the day.

The FT-SE Steering Committee decided yesterday to replace Blue Arrow with LASMO in the Footsie index, effective October 3 next.

Seaq volume jumped to 436.6m from Tuesday's 309.2m, clearly reflecting the heavy turnover in Gold Fields and the widespread revival of takeover interest.

Outside the speculative field, however, investment interest remained cautious. Second thoughts on the August money supply figures were somewhat cautious. The general gloom in the financial services sector was not helped by poor if expected interim results from Kleinwort Grieveson, the major London investment house. Shares in Sun Life plunged sharply as Groupe AG of Belgium said it might sell its stake, effectively destroying the bid premium in the shares.

By comparison with equities, Government bonds had a sedate trading session, with prices moving narrowly to end with falls of ¼ or so. The falls reflected little more than a reaction to the market's vigorous response to Tuesday's money supply announcement.

The bond sector, noting the warnings from Mr Nigel Lawson, the UK Chancellor of the Exchequer, not to expect too rapid a narrowing of the UK trade gap, appeared more sanguine ahead of the release next week of the August trade figures.

Mining majors on alert

The £2.9bn bid from Minorco for Consolidated Gold Fields caught the London market by surprise yesterday morning, sending the shares rocketing ahead in heavy trading. By the close, Gold Fields shares stood at £14 a net gain of £2¾ on the session. Turnover of 13m shares, about nine times normal levels, was accompanied by renewed activity in Gold Fields options, where buyers were active again at the close.

Much of the business was London-based, in contrast to the option activity of recent sessions which has appeared to originate in Switzerland.

Share trading was two-way, with the price moving between £14, the first price struck after the bid announcement which came two minutes after the market opened, and 1375p. While a counter-bid against the Oppenheimer offer seems unlikely, some traders believe that Minorco may increase its terms.

Minorco's move put a new price tag on gold and base metal producers as well as on construction shares, in view of Gold Field's ownership of Amey Roadstone, the major UK sand and gravel subsidiary.

RTZ bounded ahead by 38 to 459p on turnover of 15m shares as investors brushed off worries about dull metal prices.

Charter Consolidated sprang to life with a flourish with the shares moving ahead strongly to close 45 higher at 393p. Minorco has a stake of around 36 per cent in Charter Consolidated. Meanwhile, Johnson Matthey, in which Charter has a holding of around 36 per cent, traded briskly and closed 11 to the good at 344p, after 349p.

At the end of the line, Cookson, a 6.3 per cent stakeholder in Johnson Matthey, moved up 12 to 258p in brisk trading. Volume amounted to some 3.1m shares.

Life's puzzle

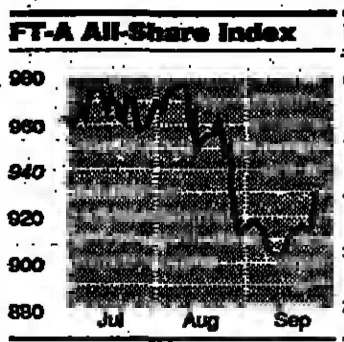
Sun Life shares collapsed and closed 150p down at 1040p after it became apparent that Belgian life assurance company Groupe AG is to pass on its recently-built up stake in Sun Life to French insurer UAP. Last week Sun Life announced a proposed link-up with the French group via a share exchange which will leave UAP with an 18.2 per cent stake in Sun Life.

Heavy overseas buying of Sun Life shares during the past week or so had led to speculation of a possible bid battle for the UK life group.

The Groupe AG stake in Sun Life was announced yesterday as being 7.5 per cent. Dealers pointed out that if Groupe AG was was responsible for the sustained buying reported last Friday, and on Monday this week, Groupe AG could now hold 8.5 per cent of Sun Life.

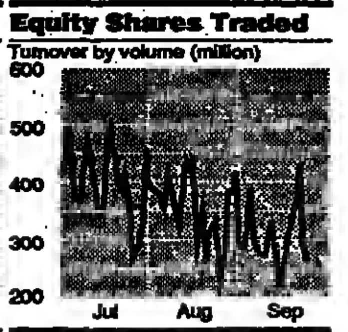
One senior insurance analyst said the move by UAP and Groupe AG "effectively pulls the rug from under the Sun Life share price — it kills off any bid speculation". It seems, also, that perhaps Groupe AG has been leaned on by the powers-that-be in Belgium. Now it looks as if the right price for Sun Life is around 950p. But in a market with all sellers and no buyers even 950p may be too optimistic a level.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)



Lonrho premium

The twin influences of a predatory investor and the bid for Gold Fields sent shares of Lonrho to new heights yesterday. Trading was the heaviest yet, totalling 19m, with the premium rating afforded after Tuesday's disclosure of stake-building by a US corporate raider increasing sharply. Lonrho shares bounded forward from the opening and closed 10½ up at 307½p for a two-day gain of 38½.

Asher Edelman, the New York arbitrageur, has put the stock in play after being forced by the diversified UK trading conglomerate to reveal a holding, which the market believes now to exceed 5 per cent. Further purchases were made yesterday, although turnover was swollen by substantial intra-market business.

Analysts agreed that Mr Edelman had identified a potentially undervalued situation but suggested the need to take proceedings a stage further before voicing any opinion. "I guess he is banking on the support of other major Lonrho shareholders before revealing his real intention", said one. Most thought that Lonrho shares would hold a new trading range of between 300p to 350p awaiting the next development.

Cables rating

Telecoms group Cable & Wireless made further good progress, closing another 3 higher at 375p, on turnover of 1.3m shares after Hoare Govett, the securities house, upgraded its profits forecasts for this year and next.

Hoare Govett has upped its forecast for the current year from £420m to £432m, or earnings per share of 28.1p and for next year from £525m to £540m or earnings per share of 35.1p. Hoare points out that the figures take no account of any windfall accruing from sales of any part of C & W's stake in Hong Kong Telecoms.

A squeeze on bear positions resulted in good gains among some International stocks. Glaxo led the market higher, closing 34 to the good 1044p in a volume of some 3.4m shares following a combination of US and domestic demand. Wellcome, a neglected market for some while, featured a gain of 17 at 497p.

Enterprise were a surprise and unhappy victim of the initial market response to the bid for Gold Fields. A view that the offer would direct much of the speculative activity in the market elsewhere and a bearish opinion on the stock from one leading marketmaker saw the quotation for Enterprise retreat from the outset. Although closing off the bottom — 649p — Enterprise were still 20 lower at the close after turnover of 3.4m.

Lasmo also fell back but rallied well enough to end the day only 1¼ off at 568½p. British Gas, last week's unsuccessful raider of Lasmo, hardened further to end up 1¼ et 166½p with turnover reaching 5.7m. Both classes of BP remained steady but quiet. Norwich Union upping their stake to almost 6 per cent helped Premier improve to 58½p.

Standard Chartered spearheaded a general upsurge in the banks and touched a day's high of 575p on talk of imminent takeover moves, before settling a net 26 firmer at 566p; turnover was 2m shares.

Other banks impressed with NatWest, where one of the leading US securities house was said to be recommending the stock, up 6 at 553p. Lloyds were up 4 at 304p as were Midland, 421p. But Barclays were hit by a single trade of 1.3m shares sold at 398p and eventually settled 2 off at 397p. Satisfactory interims left Bank of Scotland 3 better at 359p.

Housebuilders continued to claim the limelight as Barratt Developments unfolded interim figures of £61.5m, compared with £39.2m. The results were well above best estimates and left the shares 13 up at 179p after an extremely active trading session. Tarmac, reflecting comment on its half-year performance and long term prospects, also claimed considerable interest and closed 10 higher at 234p after volume of some 5.8m.

Sears refused to give up centre-stage as more bid rumours spread through the market like an out-of-control bushfire. The latest speculation was that an offer for the company will be made today — the Hong Kong group Jardine Matheson was mentioned by one dealer as a possible predator — at 175p a share. Alternatively, there were those who believe that a bid will be launched for Sears, but not until November.

Although there was no shortage of cynics prepared to rubbish the rumours, most marketmakers were not risking being caught short of Sears stock and by the close the shares had gained 10 to 139p on turnover of 10m. As one marketmaker said; "The Sears price still suggests something is going on, and we just cannot afford to ignore it."

Elsewhere in the sector, Storehouse improved 8 to 198p on the back of the Sears stories, while Ward White continued its recent run, climbing 8 to 275p on a press report that the Argyll Group is shopping around for a chain of diy stores. Ward White owns the profitable diy chain Payless.

Bid speculation continued to surround BICC and the shares moved up 6 more to 360p.

Rank Organisation stood out with a rise of 21 at 674p in a volume of 1.5m shares. The movement was accompanied by various rumours, but marketmakers said it was no more than a rally from an oversold position. Kitcat and Aitken's analysts agreed with this theory: "We have been steadily buying Rank stock over the past fortnight but now expect e period of consolidation", they commented.

Among other possible bid candidates, English China Clays featured with a gain of 13 at 479p and Pearson with a jump of 23 at 739p.

Dee Corporation attracted buying interest among Foods stocks as rumours circulated that Associated British Foods is about to sell its 15 per cent stake in Dee. A West German retailer was said to be ready to buy the holding, which is currently worth around £230m. However, Mr Gary Weston, chairman of A B Foods, denied that his company is ready to sell the stake and would not comment on any German connection. By the close Dee had improved 11 to 173p on turnover of 5.6m shares, while A B Foods ended 4½ better at 303p.

Cadbury Schweppes continued to benefit from speculation that Grand Met might launch a bid, moving 3½ higher to 377p after 379p as 3.1m shares changed hands. Tate & Lyle surprisingly went against the trend, dropping 5 to 633p. The only explanation marketmakers could come up with is thet a major broking house appears to have advised its clients to switch out of Tate and into other Foods stocks. Trusthouse Forte also bucked the market, losing 5 to 254¾ as bid hopes recede.

Lucas Industries bounded higher on revived stories that the group was attracting predatory interest. A television programme reported the presence of a German holding but marketspeculation turned away from Siemens, the West German concern rumoured to be stakebuilding, and centred on BTR, the UK conglomerate. Lucas shares rose 23 further to 572p.

As Property stocks picked up on bopes that interest rates are stabilising, Mountleigb featured on speculation that the group will announce at today's egm that its Paternoster Square property in the City has been sold for £300m. Dealers noted that this would leave Mountleigh with a book profit of £100m, and the shares rose 11 before dropping back in late trading to close 7 better at 153p.

Local London rallied well after its recent fall, gaining 12 at 420p. As one dealer said, "The stock was originally overbought, and then it was oversold." Sentiment returned to Priest Marians, a stock that has been out of favour lately, climbing 17 points before late profit-taking pegged the gain back to 7 at 384p. The improvements in properties had their effect in related stocks, with P & O moving up 10 to 551p. Rothmans International eased back before surging higher late to close 14 higber at 439p on renewed speculation that Rembrandt would sell its 33 per cent shareholding to a potential predator.

Financial services and media group MAI edged 3½ higher to 93½p on hopes about the annual results, due on Monday. Profits are expected to be lower because wholesale broking volumes have been poor since December. But Mr Hugh Pye of County NetWest WoodMac reckons tbe blow should be cnshioned by non-broking activities, which have done quite well. However, bis forecast of £50m is the lowest of a range extending to £54m, compared with £52.6m last year.

Persistent small demand for Harrisoos & Crosfield found marketmakers running level books and the shares ran forward quickly to close 12 up at 630p.

Trading on the Traded Options Market returned to last week's levels as 37,500 contracts changed bands. Tbe most popular stocks were Consolidated Gold Fields witb 5,368 contracts, Lonrbo with 3,150, and Sears, with 2,614.

■ Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 36

FINANCIAL TIMES STOCK INDICES

	Sep 21	Sep 20	Sep 19	Sep 18	Sep 15	Year Ago	1988 High	1988 Low	Since Compilation High	Since Compilation Low
Government Secs	87.01	87.07	86.50	86.62	86.81	86.38	91.43 (18/4)	86.28 (2/8)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	96.00	95.67	95.62	95.61	95.63	92.11	98.67 (25/5)	94.14 (8/11)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1442.8	1429.9	1418.8	1422.5	1422.0	1843.2	1514.7 (8/8)	1349.0 (8/2)	1926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	165.2	168.1	164.4	173.8	176.4	451.7	312.5 (7/1)	164.4 (19/9)	734.7 (15/2/83)	43.5 (26/10/71)

Ord. Di. Yield	4.79	4.84	4.84	4.83	4.83	3.17
Earning Yld %(full)	12.02	12.15	12.20	12.17	12.18	7.78
P/E Ratio(Net)(☆)	10.09	9.96	9.94	9.97	9.96	15.75
SEAQ Bargains(5pm)	21,505	17,545	17,795	22,872	19,698	38,460
Equity Turnover(£m)†	-	715.49	748.85	1056.80	933.64	2710.82
Equity Bargains†	-	17,732	19,303	24,338	20,695	44,556
Shares Traded (ml)†	-	261.0	295.5	432.4	351.6	646.2

Ordinary Share Index, Hourly changes

Opening	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1440.1	1438.5	1441.7	1444.1	1445.2	1445.8	1443.4	1443.0

DAY'S HIGH 1445.8 DAY'S LOW 1436.4

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35. Gold Mines 12/9/55, SE Activity 1974. ☆Nil 10.01 †Excluding intra-market business.

● S.E. ACTIVITY

Indices	Sep 20	Sep 19
Gilt Edged Bargains	92.2	62.5
Equity Bargains	114.9	125.1
Equity Value	1446.2	1513.6
5 – Day average		
Gilt Edged Bargains	80.0	76.5
Equity Bargains	131.2	132.3
Equity Value	1640.8	1938.7

● London Report and latest Share Index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm

Stock	Volume 000's	Closing Price	Day's change
ASDA Group	2,400	144	+1
Abbey Life 5p	1,100	313	+2½
Allied-Lyons	1,300	413½	-½
Amstrad 5p	1,100	202½	+3
Argyll Group	4,300	174	+2½
Ass. Brit. Foods 5p	708	303	+4½
BAA	1,850	256	+2½
BAT Inds	2,100	433	-1
BET	341	222	+1
BICC 50p	839	360	+6
BOC Group	993	482	+4
BPB Inds. 50p	1,400	268	+4
BTR	3,400	285½	+1½
Barclays £1	3,500	397	-2
Bass	394	748	-2
Beecham	1,300	462	+2
Blue Arrow 5p	2,300	98½	
Blue Circle O	2,100	432	+9
Boots	1,600	217	+2
British Airways	645	154	+1
Brit. Aerospace 50p	1,300	455	+6
Brit & Comm. 10p	482	219	
British Gas	5,700	166½	+1¼
British Land	239	323	+4
Brit. Petroleum	2,300	249½	+2
British Telecom	2,500	235½	+2
Burmah £1	452	519	+8
Burton Group 50p	2,200	201	+5
Cable & Wireless 50p	1,300	375	+3
Cadbury Schweppes	3,100	377	+3½
Coats Viyella	1,800	179	
Comm. Union	1,300	339	

Stock	Volume 000's	Closing Price	Day's change
Cons Gold Fields	14,000	£14	+3¼
Cookson 50p	3,100	258	+12
Courtaulds	1,100	296½	+5½
Dalgety £1	367	324	+1
Dee Corp 5p	5,600	173	+11
Dixons Group 10p	2,100	156	+3
Eng. China Clays	3,000	479	+13
Enterprise Oil	3,400	652	-20
FKI Babcock 10p	2,100	129	+1
Fisons	1,000	238	
Gen. Accident	609	871	+3
GEC 5p	3,600	153½	+½
Glaxo 50p	3,400	£10¼	+⅜
Globe Inv.	739	139½	+1
Glynwed Int.	212	257½	+1
Granada	553	332	+5
Grand Met. 50p	1,200	486	+1
GUS A	126	£10⅛	+⅛
GRE 5p	628	[illegible]	-1
GKN £1	1,100	322½	+7½
Guinness	1,500	308	
Hammerson 'A'	252	620	
Hanson	1,900	142½	
Harrisons Crs. O	849	630	+12
Hawker Siddeley	953	517	+6½
Hillsdown Hldgs 10p	303	255	+2
IMI	1,500	201½	+3½
Imp. Chem. O	533	£10⅝	+⅛
Inchcape	337	201	+3
Jaguar	339	244	+2
Ladbroke 10p	1,080	426½	-½

Stock	Volume 000's	Closing Price	Day's change
Land Securities £1	632	547	+4
Laporte Inds. 50p	959	396	-15
Legal & General	970	306	-2
Lloyds £1	1,000	304	+4
LASMO	1,100	568½	-1¼
Lonrho	19,300	307½	+10½
Lucas Inds. £1	3,500	572	+23
MEPC	262	526	+3
Marks & Spencer	1,400	152	+1
Maxwell Comms. Corp	152	185	-2
Metal Box	1,130	134	+6
Midland £1	236	421	+4
Nat. West. £1	524	553	+6
Next 10p	1,500	239	+1
Northern Foods	482	265	+4
Pearson	1,600	739	+23
Pearl 5p	201	471	-4
P & O Defd £1	477	551	+10
Pilkington 50p	1,800	201	+5
Plessey	1,700	157	+3
Prudential 5p	2,500	150	-2½
Racal Electronics	2,300	234	+1
Rank Org	1,500	674	+21
RMC	859	457	+15
RHM	798	387	+2
Reckitt & Colman	427	971	+8
Redland	1,500	414	+1½
Reed International	1,000	435	-2
Reuters 'B' 10p	390	477	+10
RTZ 10p	15,000	459	+38
Rolls Royce 20p	4,400	130½	+4

Stock	Volume 000's	Closing Price	Day's change
Rothmans 12 1/2p	2,000	439	+14
Royal Bk. of Scotland	241	359	+4
Royal Insce	839	414	+3
STC	1,600	267	+2
Saatchi 10p	816	340	+1½
Sainsbury (J)	2,100	303	+1½
Scot. & New. 20p	2,900	344½	+4½
Sears	13,000	139	+10
Shell Trans. Reg.	1,100	982	+1
Siebe	192	363½	+6½
Slough Ests	1,100	308	+6
Smith & Neph 10p	2,500	120½	+2
Standard Chartd £1	1,000	566	+26
Storehouse 10p	879	198	+8
Sun Alliance	279	987	+8
T&N	257	177	
TSB	12,300	99½	
Tarmac 50p	5,600	234	+10
Tate & Lyle £1	142	633	-5
Tesco 5p	809	138	+1
THORN EMI	855	627	+1
Trafalgar Hse 20p	969	388	+1
Trusthouse Forte	4,100	254¾	-5
Ultramar	2,300	137	+2
Unilever 5p	1,100	469	+8
United Biscuits	1,000	291	+5
Utd Newspapers	199	389	-1
Wellcome	1,300	497	+17
Whitbread 'A'	347	288½	-½
Williams Hldgs	640	366	+2
Wimpey (Geo)	384	228	+1
Woolworth Hldgs	321	248	+1

NEW HIGHS AND LOWS FOR 1988

NEW HIGHS (61).
AMERICANS (8) Amfac, Bankers N.Y., Greyhound, RJR Nabisco, Rep. N.Y., Transamerica, CANADIANS (1) Bk. Nova Scotia, BANKS (1) Deutsche Bk., BREWERS (1) Merrydown, CHEMICALS (4) BASF, Bayer, Blagden Inds., Hoechst, STORES (1) Liberty, ELECTRICALS (6) Amst, Ericsson (L.M.), Jeopard Intl., Pifco, Pifco A, Polytechnic Elect., ENGINEERING (1) ASW, FOODS (2) BSN, Tate & Lyle SRG 1988, INDUSTRIALS (5) Eng. China Clays, Hornby, Hughes (H.T.), Johnson Cleaners, Wassall, INSURANCE (1) Allianz, LEISURE (3) Capital Radio, GWR, Radio City A, PROPERTY (2) Caird Grp., Estates & Gen., SHIPPING (1) Gotaas, TEXTILES (1) Hicking Pentecost, TRUSTS [illegible] Ensign Tst., [illegible] TR North America, MINES [illegible] Cons. Gold Fields.

NEW LOWS (36).
CANADIANS (3) Augmitto Expln., Granges Expln., Madeleine Mines, BANKS (2) Cater Allen, Union Discount, ELECTRICALS (1) MBS, INDUSTRIALS (6) Coloroll, Fergebrook, Harding, Interlink Express, Kleen-E-Ze, Shiloh, INSURANCE (1) Sun Life, NEWSPAPERS (1) Maxwell Comms., SHOES (1) FII Grp., TEXTILES (1) Stoddard, TRUSTS (2) Derby Tst. Wrrnts., Authority Inv., MINES (12) East Daggs, Kinross, Blyvoor, Buffels, Elandsrand Gold, Southvaal, Vaal Reefs, Western Deep, F.S. Cons. Gold, Anglo Am Gold, Welkom Gold, Julia Mines.

APPOINTMENTS

Senior post at Yelverton Investments

Mr Robert H Clarke has been appointed managing director of YELVERTON INVESTMENTS, an investment dealing company, after the resignation of Mr Simon Watson. Mr Clarke is the son of Mr Henry D Clarke Jnr, Yelverton chairman. The Clarke family interests control about 36 per cent of Yelverton shares.

■ Mr Brian K. Pettit, who has held senior directorships within the Tiger Group for over seven years, has been appointed to the new position of deputy chairman and chief executive of TIGER RAIL, a subsidiary of Allied Partnership Group.

■ At SEAGRAM INTERNATIONAL Mr J.V. Brindle has become vice president, business development. Mr Brindle, who was marketing director of William Grant and Sons, will be responsible for a range of activities outside North America. He will based in London at the company's European headquarters.

■ Mr Idwal Davies has been made director of research and development at HYDRO POLYMERS performance products division. He was technical manager at the company's Havant plant.

■ Mr David Freeborn has been made group managing director of the ELLIOTT GROUP. He has been a director on the main board for five years and managing director of both J.A.Elliott and J.A. Elliott (Leyford), which until recently accounted for most of the group's turnover.

■ TOYOTA (GB) has made the following appointments: Mr David King becomes director-computer services and Mr Graham Wingate director-sales operations. Mr Mike Wingate is appointed director-finance operations and Mr Keith Sanders is now director and general manager of TGB Vehicle Contracts, a sister company to Toyota (GB). Mr Nick Dogger, legal and personnel director, will be leaving Toyota (GB) at the end of September to take up e senior position with Inchcape, Toyota (GB)'s parent company.

■ ATLANTIC COMPUTERS has made the following management changes following its acquisition by British and Commonwealth. Mr Nick Kennedy Scott, formerly group finance director, has become chairman of Atlantic Computers and will also sit on the British and Commonwealth board. Mr David McCormick, previously chairman and chief executive of Atlantic Computer Services Group, will now assume the role of chief executive of Atlantic Computers.

Mr Jeremy Crane, managing director of Atlantic Computer Systems, will be leaving the company in order to pursue family interests. His succesor will be Mr John Penny who becomes chairman and managing director.

Mr Neil Ashworth, who was previously head of corporate affairs for Atlantic Computers, becomes director of marketing for Atlantic Computer Services Group. Mr Derek Blackiston moves from marketing director UK to become marketing director Continental Europe.

Mr Richard Grand-Jean *(above)*, a managing director of Salomon Bros Inc, has been appointed head of the firm's global fixed income international capital markets business, a new position based in London. Previously he ran Salomon's international capital markets group in Tokyo. Mr Jean Grall becomes senior corporate coverage manager for Northern Europe for the corporate finance division of Salamon Brothers International. Mr Donald Johnston will be senior corporete coverage manager for Southern Europe.

■ VALIN POLLEN has appointed Ms Caroline Cecil and Ms Lynda Sale to the board.

COMMODITIES AND AGRICULTURE

Gold dips below $400 in Europe and US

By Max Wilkinson

GOLD PRICES fell through $400 an oz in Europe and the US yesterday, to a level 20 per cent below their last peak in December.

A decline, which reflects a general feeling in the market that inflationary pressures are under control, had been widely expected in the markets. However, the steepness of yesterday's fall surprised some analysts.

In Zurich prices fell in early trading to about $397 an oz, the lowest since February last year, but rallied to close at $400.00/75 an oz.

In London at trading's close the price was $401.30, compared with $410.30 on Tuesday.

In New York prices, after falling sharply in early trading, rallied to $402.25 by midday.

Mr Robert Weinberg, precious metals analyst for James Capel, the London broker, said it was clear gold prices were established on a downward trend for the time being.

Since last year's end, when the metal reached $502 an oz, the price had fallen through levels considered significant by chart analysts. At each level the price bad received technical support which had later given way.

Mr Weinberg said $400 an oz was thought a significant level and the rebound of prices yesterday reflected this. However, he believed that on the basis of past patterns the trend would continue downwards, perhaps for some time.

Some analysts think oil markets' general weakness has contributed to gold's bearish trend, because the weakness reinforces the view that world inflation is not likely to rise.

Beet may hit Soviet sugar supplies

By Quentin Peel in Moscow

THE Soviet Union's sugar shortage, hitherto blamed exclusively on illicit alcohol-brewing in the face of Mr Mikhail Gorbachev's anti-drink drive, may be as much the result of a disastrous drop in sugar-beet quality.

New evidence is in a criticism in Sozialisticheskaya Industria, a Soviet newspaper, which confirms the suspicion that illicit vodka alone could not account for the shortfall.

It is said a sharp deterioration in refined sugar yields from a larger sugar-beet harvest has resulted from the combination of a drive for increased quantity at all costs; sloppy harvesting; bad storage; and officials' connivance in lowering quality standards.

The results have been a continuing sugar shortage in the shops, and heavy purchases of sugar on the international market in spite of a record 90m-tonne beet harvest last year and prospects of an even larger one this year.

Last year's crop brought a refined-sugar output of about 9.2m tonnes. This year's output is forecast at about 600,000 tonnes more. However, that still falls well short of Soviet consumption, currently estimated by the US Department of Agriculture at more than 14m tonnes.

The newspaper also reinforces criticism of measuring farm output by sheer farmgate volume regardless of quality.

Soviet beet's refined-sugar yield has fallen from between 14 per cent and 15 per cent in former years to a level of 11 per cent to 12 per cent, with some refineries obtaining as little as 7 per cent, the newspaper says.

It says: "Based on the most modest calculation, this implies the sugar-refining industry is underproducing by more than 1m tonnes of sugar annually."

The immediate reason is that Soviet farms, both huge state farms and collectives, have steadily increased acreage under crop and use of nitric fertilisers "which increase the yield of root crops while decreasing the saccharine content, and shortening the storage life of the sugar crop."

That is according to the author, a sugar-laboratory worker in the town of Voronezh, in the beet zone south of Moscow.

Harvesting-machinery installed in the early-1970s is inefficient. Often beet is dug from the ground too early and left in fields to spoil.

A lower quality standard for beet has been approved by Gosstandard, the state standards institute.

The paper says: "Although Gosstandard already gives a flying start to any display of bad management, even its relatively low standards are not observed."

The refineries themselves accept poor-quality beet as up to standard because they are locked into the same planning system. Their performance is judged and bonuses are paid on the quantity they process. Sub-standard beet would not count.

"Can you really imagine any [Communist] Party or Soviet [local authority] leader allowing the agricultural produce of his region not to be recorded in the accounts? Instead, they force the factory to accept sub-standard goods."

Even then, losses continue. "This unripened, semi-withered and spoilt crop, unsuitable for storage, is packed into store-rooms at high temperatures.

"During the first days and weeks of storage the beet is heated intensively, begins to burn and spoil, and at times becomes totally unsuitable for processing into sugar."

The result is that the Soviet refineries "virtually never produce the so-called Gold Label sugar. . . They produce mass quantities of sub-standard sugar of an unpleasant colour."

However, no penalty is imposed: "The rules themselves guarantee that the well-being of the enterprise is in no way linked to the end result of their activities."

Attempts to introduce quality standards have been blocked by "leaders of the industry" on the grounds machinery to measure sugar quality "would constantly register losses."

The newspaper says the result is that sugar statistics for the past 20 years are almost useless, failing to provide any measure of harvests' sugar content or of losses in storage, transportation and refining.

It concludes: "The harm from all this disinformation is enormous. If the true information on this state of affairs had been published long ago, we would have improved machinery, stopped the early digging of the root crop, and better trained our mechanics. Millions of tonnes of sugar would not have been lost."

Canadian budget deficit blamed on farm spending

By David Owen in Toronto

THE Organisation for Economic Co-operation and Development cited increased spending on agriculture as a big factor behind the Canadian Government's failure since 1986 to make inroads into its budget deficit.

The organisation, based in Paris, said in a survey issued this week of Canada's economic prospects that further budget cuts were indispensable.

It said a prime cause of increased government spending since 1986 was higher outgoings on agriculture.

It said federal agricultural spending totalled C$6.1bn in fiscal 1987-88, against C$3.3bn two years earlier.

Extra subsidies to farmers were triggered "by the sharp drop in world grain prices provoked by, among other things, conflicts between the European Community countries and the US."

It referred to the so-called Western Grain Stabilisation Act, an income-smoothing device funded by participants and government. It said the act was Canada's biggest farm-subsidy programme.

However, the Special Canadian Grains Programme, introduced only in 1986, took heaviest criticism from the OECD.

Because the programme was based on the seeded acreage of certain crops it provided an incentive to boost production and deterred response to market forces, the organisation said.

Payments under the programme provided farmers with C$1.5bn of special aid in fiscal 1987-88.

The OECD also criticised subsidies paid for grain transport. The report said: "Overall efficiency would be improved by a production-neutral subsidy system and an end to distortions created by transport subsidies."

Under the still-unratified US-Canada free-trade agreement Canada has undertaken to end some rail subsidies on grain exports to the US shipped through Canadian west-coast ports.

The report emphasised that producer-subsidy equivalents on all farm products had increased sharply since 1981.

"The degree of wheat subsidisation in Canada appears to be somewhat lower than in the EEC and the US but much higher than in Australia," the OECD said.

Malaysian rubber hits five-month low

By Wong Sulong in Kuala Lumpur

PRICES OF rubber on Malaysia's market have fallen sharply in recent weeks to a five-month low and appear set to go below the 300-cents-a-kilo mark.

RSS No.1, the hedging grade on Kuala Lumpur Rubber Exchange, closed at 304 cents yesterday, down 5.5 cents.

RSS No.1 broke the 300-cents level in early-April. It reached an eight-year high of 400 cents in late-May after which the price began to soften.

The exchange said the current downtrend was because of market indigestion of the International Rubber Organisation sales and dissipation of speculative interest.

Since last September the International Natural Rubber Organisation buffer-stock manager has sold about 220,000 tonnes from his 370,000-tonne stockpile. The impact of such massive sales is working itself into the system.

Recently the manager began slowing down his disposals, because his aim to stabilise prices has largely been achieved.

The exchange said prices should hover at about the 300-cents level near term. It said the price decline was healthy and producers should not be worried for the decline reflected market consolidation at a still-attractive level for producers.

It said: "In 1980 the price hit 400 cents a kilo and fell back to 300 cents within a month. This time it took nearly four months, reflecting the strong fundamentals."

Recent heavy rains in Malaysia and Thailand, and the continual switch from sheet-rubber to latex-concentrata to meet the demand of glove- and condom-factories, are expected to boost prices in this last quarter.

Meanwhile the activities of Singaporean and Malaysian importers are causing concern to big rubber-planters and traders in Liberia and Nigeria.

For the past year these importers have bought rubber from African smallholders by paying 5 cents more a pound and shipping it to Singapore and Malaysia for processing.

Mr Don Ensminger, president of Firestone Plantations, Liberia's biggest rubber company, was reported to have complained to Liberian authorities that such activities could undermine the Liberian economy in terms of employment and value-added gains.

Importers say smallholders are benefiting because they obtain better prices.

Farmers win milk case

By Tim Dickson

TWO FARMERS from County Tyrone, Northern Ireland, yesterday won a case against Ulster's Milk Marketing Board which could affect the rest of the UK dairy industry.

Mr Justice Murray, president of the Chancery division of the Northern Ireland High Court, said the board had exceeded its powers by imposing a levy, or so-called balance rate, on milk produced, processed and sold direct to consumers by the plaintiffs.

A case involving similar issues is pending in England and Wales. The jurisdictions in these two parts of the UK are, strictly speaking, different, but the Ulster case is seen as a signalling the outcome.

A levy is currently paid to the UK by 350 farm-pasteurisers. The court cases could lead to a challenge to prices milk marketing boards charge dairies for milk for the liquid market.

The boards' monopoly powers are largely sanctioned by European Community rules but have been increasingly criticised in recent years.

Mr Justice Murray, giving judgment, said the board's main economic arguments, "namely that if farm-pasteurisers are freed from the balance rate their operations will topple the board itself, have not convinced me."

Gatt raises minimum export prices

By William Dullforce in Geneva

THE dairy council of the General Agreement on Tariffs and Trade yesterday raised its minimum export prices for dairy products for the second time this year.

It said the new prices reflected continuing favourable world market conditions and the successful efforts by the 16 countries participating in Gatt's International Dairy Arrangement (IDA) to contain milk output.

Minimum prices for skimmed milk-powder and buttermilk-powder were raised from $900 to $1,050 a tonne and for whole milk-powder from $1,000 to $1,150.

Market prices for skimmed milk-powder have climbed from $750 to $900 a tonne at the start of last year to $1,500 to $1,700 now.

The butter price was raised from $1,100 to $1,250 a tonne; that for anhydrous milk fat from $1,325 to $1,500.

The minimum export price for cheeses covered by the arrangement was lifted from $1,200 to $1,350 a tonne.

IDA minimum prices were previously raised in March. The first lift to prices for milk-powders and cheeses came last September.

A factor generating higher prices was the 5 per cent cut in milk-deliveries last year by farmers in the European Community. World milk output fell by 1 per cent last year, the first decline in 20 years. World output of skimmed milk-powder fell by 11.5 per cent last year.

Farm Council may sour

Tim Dickson on EC dairy quotas talks next week

IT IS some time since a European Farm Council turned sour over milk. However, all the ingredients for a heated debate on dairy quotas appear to exist ahead of next week's meeting in Brussels of the European Community's farm ministers.

The main item on an otherwise bare agenda is how to compensate the big group of farmers, mostly West German, French or British, unfairly deprived of a milk quota by output curbs introduced in 1984.

More than 120,000 producers were excluded from the quota system because reference rules relied on earlier years in which they voluntarily and temporarily gave up milk production in return for an EC, so-called non-marketing premium.

Two dairy-farmers, one a now-celebrated Dutchman called Mulder, took their case to the European Court of Justice. They argued that they were unwitting victims of events beyond their control.

This April the court upheld the argument, basing judgment on the principle of a violation of legitimate expectations. It also ruled relevant Farm Council and European Commission regulations invalid.

The commission's later proposals, subject of next Monday's farm meeting, were *necessary not only to address* the grievance but to stave off what could have become a flood of claims arising from the so-called Mulder judgment.

The problem for Mr Yannis Pottakis, the Greek farm minister whose first meetings as council chairman in July were dominated by his own government's refusal to sign the annual price package, is that the Brussels authorities' ideas are controversial.

For example, milk output from 122,000 farmers who participated in the non-marketing schemes was over 6.6m tonnes, while the commission intends to limit entitled-applicants to the equivalent of 500,000 tonnes to 1m tonnes.

Understandably, there is reluctance to compensate those who were either close to retirement, many apparently, and those who had no intention to return to dairying when non-marketing schemes ended.

Applicants must prove they are actively engaged in farming and claimed compensation, presumably in writing, between the end of March 1984 and the end of this July. In other words, it is too late now.

A lobbyist based in Brussels says this provision is likely to anger farmers in Britain and France known to have contacted their own national farm ministries before the court's judgment and were told "don't bother."

A means of paying for the Ecu92m cost of the quota rise — 500,000 tonnes will be added to the general community reserve — could also run into political flak.

For the commission, in suggesting that the butter-intervention price is cut by 2 per cent from the start of next month, is resubmitting an idea which, when floated in the late stages of the farm-price talks, met French opposition and was hastily withdrawn.

Copa and Cogeca, the EC farm bodies, have written to Mr Frans Andriessen, the Farm Commissioner, suggesting this issue be considered when the commission sets next year's level for New Zealand's butter quota.

They say the commission, through its complementary proposal for a cut in the co-responsibility levy for small producers from 2 per cent to 1.5 per cent, is implicitly conceding that farm incomes generally will suffer.

For Mr Pottakis the challenge will be to balance the commission's eagerness to keep compensation costs to a minimum; the need to avoid prejudice against other dairy-farmers; the political pressures for more generous treatment; and, the requirement of the European Court.

WORLD COMMODITIES PRICES

LONDON MARKETS

NICKEL PRICES fell sharply in pre-market trading on the LME, mainly on renewed West German stale-bull liquidation. Three-month metal touched the lowest levels ($9,370 a tonne or $4.25 a lb) since early March, when prices were on the way up to the record $15,000 a tonne, or $6.62 a lb, reached on March 28. Dealers said yesterday's decline was fuelled by a breach of chart support at about $4.50 a lb and the firmness of the dollar. Zinc also underwent a shake-out in pre-market trading as prices broke below the $1,300-a-tonne support level. Traders said that although the charts signalled further weakness the market's fundamentals remained sound. They expected trade buying to emerge on any further dip. Aluminium rallied sharply in the afternoon after breaking below the £1,350 support level.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$11.86-1.91z	-0.015
Brent Blend	$12.42-2.47z	+0.02
W.T.I. (1 pm est)	$14.64-4.67z	+0.11
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$172-174	+2
Gas Oil	$118-121	-0.5
Heavy Fuel Oil	$62-63	-1
Naphtha	$134-136	+2
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$401.25	-9.00
Silver (per troy oz)♣	620c	-14
Platinum (per troy oz)	$492.75	-14.25
Palladium (per troy oz)	$118.5	-1.5
Aluminium (free market)	$2335	
Copper (US Producer)	118⅞-21c	+2½
Lead (US Producer)	31c	
Nickel (free market)	530c	-10
Tin (European free market)	£4432.5	+31.5
Tin (Kuala Lumpur market)	19.51r	-0.08
Tin (New York)	344.0c	+0.5
Zinc (Euro. Prod. Price)	$1312.5	
Zinc (US Prime Western)	65¾c	
Cattle (live weight)†	110.54p	-1.01*
Sheep (dead weight)†	147.04p	-8.93*
Pigs (live weight)†	73.43p	+1.38*
London daily sugar (raw)	$248.8x	+1.6
London daily sugar (white)	$245x	-1
Tate and Lyle export price	£257	+1
Barley (English feed)	£111v	
Maize (US No. 3 yellow)	£127v	
Wheat (US Dark Northern)	£125.50e	+0.75
Rubber (spot)♥	62.50p	-1.75
Rubber (Oct)♥	69.00p	-1.75
Rubber (Nov)♥	69.50p	-1.75
Rubber (KL RSS No 1 Oct)	304.0m	-5.5
Coconut oil (Philippines)§	$545x	-10
Palm Oil (Malaysian)§	$417.5q	+2.5
Copra (Philippines)§	$385	
Soyabeans (US)	$202.0	-0.5
Cotton "A" index	56.30c	-0.15
Woolltops (64s Super)	560p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Oct. x-Sep/Oct. u-Oct/Nov. w-Nov/Dec. v-Oct/Dec. z-Nov. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

COCOA £/tonne

	Close	Previous	High/Low	
Sep	845	844	847	840
Dec	778	777	782	762
Mar	770	769	774	759
May	779	778	782	768
Jul	793	790	795	785
Sep	812	807	812	800
Dec	855	847	852	847

Turnover: 4090 (4160) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for Sep 20: 957.58 (945.73) 10 day average for Sep 20: 961.34 (966.12)

COFFEE £/tonne

	Close	Previous	High/Low	
Sep	1160	1150	1175	1151
Nov	1139	1142	1155	1130
Jan	1110	1127	1132	1100
Mar	1095	1092	1108	1090
May	1085	1078	1103	1080
Jly	1084	1080	1100	1080
Sep	1090	1080	1100	1080

Turnover: 4805 (5745) lots of 5 tonnes. ICCO indicator prices (US cents per pound) for Sep 20: Comp. daily 113.63 (111.35); 15 day average 112.60 (111.70).

SUGAR ($ per tonne)

Raw	Close	Previous	High/Low	
Oct	219.40	215.60	219.00	215.60
Dec	213.00	211.00	213.00	213.00
Mar	213.00	212.00	214.40	211.00
May	210.20	209.20	210.80	208.60
Aug	209.40	207.00	209.00	208.00
Oct	206.00	205.00	208.80	206.00
White	**Close**	**Previous**	**High/Low**	
Dec	237.00	238.00	239.00	
Mar	241.00	241.00	242.50	239.00
May	242.50	242.00	241.50	240.00
Aug	244.00	243.00	243.00	

Turnover: Raw 4698 (14485) lots of 50 tonnes. White 1234 (1565). Paris White (FFr per tonne): Dec 1525, Mar 1516, May 1528, Aug 1535 Oct 1533, Dec 1535

GAS OIL $/tonne

	Close	Previous	High/Low	
Oct	120.50	121.75	121.75	120.00
Nov	122.25	123.75	123.75	122.00
Dec	124.25	125.50	125.00	124.00
Jan	124.25	125.25	124.75	124.00
Feb	123.25	124.75	123.25	122.00
Mar	122.00	122.50	121.75	
Apr	119.50	119.50	122.75	115.00

Turnover 2835 (4187) lots of 100 tonnes

GRAINS £/tonne

Wheat	Close	Previous	High/Low	
Sep	107.00	106.10	108.10	107.60
Nov	109.15	109.80	110.05	109.15
Jan	111.65	112.20	112.50	111.65
Mar	114.40	114.70	115.00	114.40
May	117.00	117.30	117.60	117.00
Jun	115.70	118.00	118.70	
Barley	**Close**	**Previous**	**High/Low**	
Sep	104.30	104.60	104.70	104.30
Nov	106.20	106.40	106.50	106.20
Jan	108.55	109.05	109.15	108.55
Mar	110.95	111.15	111.10	110.95
May	113.00	113.00		

Turnover: Wheat 212 (284), Barley 317 (152). Turnover lots of 100 tonnes.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 1,150 tonne
Cash	2350-60	2380-90	2360	2330-40		
3 months	2340-50	2360-70	2255/2170	2325-30	2340-50	10,028 lots
Aluminium, 99.5% purity (£ per tonne)						Ring turnover 38,725 tonne
Cash	1387-92	1394-6	1375/1373	1374-5		
3 months	1347-9	1354-5	1362/1310	1335-6	2235-9	40,745 lots
Copper, Grade A (£ per tonne)						Ring turnover 30,525 tonne
Cash	1447-8	1475-7	1455/1453	1453-4		
3 months	1394-4.5	1420-2	1407/1394	1404.5-5.5	2317-23	62,289 lots
Copper, Standard (£ per tonne)						Ring turnover 0 tonne
Cash	1375-85	1405-15		1380-90		
3 months	1360-70	1370-5		1370-80		15 lots
Silver (US cents/fine ounce)						Ring turnover 0 ozs
Cash	617-20	630-3		612-4		
3 months	630-3	643-5		624-5		457 lots
Lead (£ per tonne)						Ring turnover 7,650 tonne
Cash	357.5-8	358-60	356/355	355.5-6		
3 months	361-2	363-4	364/361	361.5-2	361-2	10,531 lots
Nickel ($ per tonne)						Ring turnover 1,950 tonne
Cash	11000-100	11500-50	11300	11300-400		
3 months	10100-25	10600-50	10300/9700	10300-400	10100-200	6,179 lots
Zinc ($ per tonne)						Ring turnover 22,450 tonne
Cash	1292-3	1328-7	1305/1290	1295-300		
3 months	1270-2	1304-5	1295/1255	1273-4	1265-70	15,760 lots

POTATOES £/tonne

	Close	Previous	High/Low	
Nov	55.5	56.0	55.1	54.9
Feb	65.5	66.0	65.0	
Apr	91.5	91.4	92.0	91.2
May	101.6	102.0		

Turnover 68 (134) lots of 40 tonnes.

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low	
Oct	175.00	175.00	176.00	174.00
Dec	183.00	183.00	183.00	180.50
Feb	189.00	188.00		
Apr	189.00	188.00	188.00	

Turnover 357 (307) lots of 20 tonnes.

FREIGHT FUTURES $10/index point

	Close	Previous	High/Low	
Sep	1304	1302	1310	1304
Oct	1425	1412	1430	1408
Jan	1488	1470	1488	1468
Apr	1525	1516	1530	1516
Jul	1331	1324	1331	1325
BFI	1285	1288		

Turnover 213 (212)

WOOL

Last week's sudden rise in Australian wool values ended as quickly as it had begun, and prices have been falling back. The ground gained has not yet been entirely lost and there are some signs of greater firmness in the latest sale reports. The AWC market indicator rose to 1106 before going into reverse a week ago, and is now down to 1036. Erratic buying by China is believed to be responsible. Bradford's view is that this has harmed prospects for wool usage and acceptance of price levels yet to be fully established and already resisted in the UK trade. Orders here are very few and prices well below proper costs. Short-time working is expected to increase very soon. Top quotations are 480p per kg for 58s super and 370p for 60s carded.

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	401-401½	238¼-238¾
Opening	401¾-402¼	239-239½
Morning fix	401.5	239.162
Afternoon fix	400.85	239.023
Day's high	402¾-403¼	
Day's low	398¾-397	

Coins	$ price	£ equivalent
Mapleleaf	412-417	245¼-248¼
Britannia	412-417	245¼-248¼
US Eagle	412-417	245¼-248¼
Angel	409-414	244-247
Krugerrand	400-403	238½-240½
New Sov.	95½-96½	57-57¼
Old Sov.	95½-97	57-58
Noble Plat	502.65-509.6	298.95-303.05

Silver fix	p/fine oz	US cts equiv
Spot	369.00	518.85
3 months	379.85	631.50
6 months	391.30	645.30
12 months	414.50	674.70

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Nov	Jan	Nov	Jan
2250	177	177	75	115
2350	123	130	120	189
2450	82	93	178	230
Copper (Grade A)	**Calls**		**Puts**	
2200	203	150	25	100
2300	133	103	54	151
2400	80	68	100	214

US MARKETS

Most commodity markets experienced a quiet day as the Yom Kipper holiday was celebrated, reports Drexel Burnham Lambert. Precious metal prices fell again as commission houses were the days best sellers. Gold fell 7 dollars while silver lost 7 cents. London selling and fund activity caused copper prices to decline 260 points. In the soft commodities, cocoa futures gained 32 as speculative short covering was seen. Later origin selling and the trade eased further rallies. Sugar and coffee markets traded in narrow ranges for most of the day. Low volume markets were also seen in the grains. Soybeans had marginal gains while wheat and corn futures were almost unchanged. In cotton trading, prices weakened on the opening as commission houses became sellers. Prices fell 30 points before local traders steadied the market. Meat prices declined as well due to liquidation by locals and commission houses. Prices fell 5 in bellies, while cattle and hogs lost 25. In energy markets, fund buying rose crude oil prices on the opening by 15 cents. The market remained firm throughout the day on news of the upcoming price *committee meeting and the latest API numbers.*

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Sep	398.4	405.3	0	0
Oct	399.2	406.2	403.3	397.0
Nov	401.6	400.7	0	0
Dec	404.0	411.3	408.5	402.5
Feb	409.1	416.6	413.5	408.5
Apr	414.3	421.9	418.0	414.8
Jun	419.5	427.2	424.0	419.5
Aug	425.0	432.8	427.8	427.8
Oct	430.5	438.4	433.0	429.0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Sep	485.1	494.9	0	0
Oct	485.1	494.0	494.0	484.5
Jan	487.2	497.0	496.0	486.0
Apr	491.7	501.9	500.0	493.0
Jul	497.4	507.6	501.0	501.0
Oct	503.1	513.3	514.0	514.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Sep	617.7	625.2	620.0	617.0
Oct	619.4	626.8	0	0
Nov	623.8	631.4	624.0	624.0
Dec	628.0	635.7	634.0	624.0
Jan	632.8	640.0	641.0	633.0
Mar	642.6	650.5	649.0	640.0
May	652.4	660.4	660.0	652.0
Jul	662.9	670.9	667.0	664.0
Sep	673.3	681.3	678.0	674.0
Dec	689.2	697.2	692.0	691.0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	112.30	113.85	113.25	112.10
Oct	110.55	111.85	0	0
Nov	106.00	107.70	0	0
Dec	101.00	103.60	102.30	100.65
Jan	98.80	101.10	0	0
Mar	94.50	96.30	96.00	94.30
May	92.00	93.20	92.00	92.00
Jul	90.10	90.70	91.00	91.00
Sep	87.50	88.90	88.80	87.50
Dec	85.75	86.70	87.90	87.90

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Nov	14.63	14.37	14.65	14.42
Dec	14.41	14.24	14.42	14.28
Jan	14.30	14.10	14.33	14.20
Mar	14.21	14.24	14.33	14.20
May	14.35	14.32	14.45	14.42
Jun	14.43	14.36	14.48	14.38
Jul	14.49	14.40	14.50	14.48
Aug	14.48	14.44	14.63	14.48

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Nov	4200	4183	4215	4160
Dec	4265	4255	4295	4240
Mar	4170	4130	4170	4142
Apr	4050	4010	4050	4020
May	3950	3930	3950	3940

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Dec	1235	1203	1239	1198
Mar	1214	1186	1216	1184
May	1230	1204	1230	1205
Jul	1245	1228	1240	1225
Sep	1269	1250	1255	1250
Dec	1308	1268	1295	1267

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Dec	127.04	127.13	128.40	126.22
Mar	126.28	126.46	127.75	125.60
May	125.75	126.48	127.10	125.50
Jul	125.13	126.60	126.00	125.50
Sep	124.75	126.37	126.00	126.00
Dec	122.25	124.50	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	9.72	9.71	9.88	9.65
Jan	8.70	8.84	8.90	8.90
Mar	9.31	9.29	9.38	9.22
May	9.16	9.12	9.24	9.09
Jul	9.04	9.01	9.16	9.00
Oct	8.97	8.93	9.07	8.96
Jan	8.49	8.45	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Oct	51.98	51.95	52.10	51.75
Dec	50.32	50.62	50.89	50.25
Mar	50.68	50.72	50.95	50.35
May	51.00	50.90	51.30	50.90
Jul	51.70	51.45	51.70	51.35
Oct	01.00	52.10	52.00	52.00
Dec	52.40	52.40	52.70	52.20

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Nov	174.40	173.90	174.70	173.50
Jan	165.50	165.40	166.25	165.25
Mar	163.80	163.80	164.40	163.50
May	162.80	163.05	163.40	163.40
Jul	161.80	162.05	0	0
Sep	184.85	190.10	190.10	186.00

INDICES

REUTERS (Base: September 18 1931 = 100)			
Sept 20	Sept 19	mnth ago	yr ago
1861.0	1868.6	1850.4	1654.7

DOW JONES (Base: Dec. 31 1974 = 100)				
Spot	133.05	132.38	132.88	127.92
Futures	134.65	134.15	136.30	130.40

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Sep	827/4	820/4	827/4	824/0
Nov	837/4	831/0	840/0	834/4
Jan	847/2	842/0	850/0	845/0
Mar	854/4	848/4	857/4	852/0
May	852/4	847/0	854/0	850/4
Jul	844/6	838/0	845/4	840/0
Aug	829/0	824/0	832/4	829/0
Sep	773/0	772/0	777/0	773/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Sep	25.02	24.80	25.15	23.00
Oct	25.06	24.97	25.35	24.98
Dec	25.53	25.37	25.65	25.43
Jan	25.78	25.65	26.00	25.75
Mar	26.25	25.10	26.48	26.25
May	26.60	26.45	26.73	26.55
Jul	26.50	26.32	26.85	26.50
Aug	26.20	26.40	26.65	26.26

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Sep	260.0	257.0	260.0	259.0
Oct	261.2	257.2	261.5	259.0
Dec	262.2	257.7	262.5	260.0
Jan	263.0	257.5	262.5	260.2
Mar	261.5	256.6	262.0	258.0
May	258.2	254.2	258.5	254.0
Jul	254.7	250.5	256.0	250.0
Aug	248.0	246.0	248.0	247.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Sep	278/4	273/6	276/4	274/0
Dec	257/6	286/4	289/0	286/2
Mar	292/4	292/4	294/4	291/6
May	295/2	296/6	297/6	294/4
Jul	293/4	295/2	296/4	292/4
Sep	275/0	276/6	279/0	275/0
Dec	265/0	266/2	269/0	265/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Sep	405/0	404/4	408/4	404/0
Dec	419/6	419/6	420/4	417/0
Mar	425/0	424/4	425/0	422/4
May	401/4	401/0	402/2	399/4
Jul	371/0	371/0	371/2	369/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	69.10	69.37	69.32	68.75
Dec	70.97	71.42	71.30	70.50
Feb	72.50	72.60	72.65	72.00
Apr	74.12	74.25	74.35	73.60
Jun	73.42	73.45	73.60	72.00
Aug	70.67	70.50	70.90	70.50
Sep	70.00	70.60	0	0
Oct	70.40	70.35	70.55	70.10

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Oct	38.77	38.77	39.05	38.47
Dec	40.90	41.22	41.50	40.80
Feb	44.55	44.70	44.85	44.12
Apr	44.02	44.17	44.30	43.85
Jun	48.87	48.67	49.00	48.65
Jul	49.17	49.10	49.20	48.95
Aug	48.00	47.72	48.05	47.85
Oct	45.25	45.10	45.25	45.10

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	50.65	50.70	50.80	49.95
Mar	50.80	51.10	51.20	50.40
May	52.58	52.70	52.70	52.00
Jul	53.00	53.00	53.30	52.75
Aug	51.45	52.00	52.00	51.45

WORLD STOCK MARKETS

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FINLAND

FRANCE

GERMANY

GERMANY (continued)

ITALY

NETHERLANDS

NETHERLANDS (continued)

NORWAY

SPAIN

SWEDEN

SWEDEN (continued)

SWITZERLAND

SOUTH AFRICA

JAPAN

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

SINGAPORE

CANADA

TORONTO

2pm prices September 21

OVER-THE-COUNTER

Nasdaq national market, 2pm prices September 21

Continued from page 41

TOKYO - Most Active Stocks

Wednesday 21 September 1988

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Nippon Steel	97.8m	789	+17	Mitsubishi Heavy	23.7m	945	+4
Kawasaki Steel	92.5m	839	+24	Sanyo-Kokusaku Pulp	22.5m	947	-32
NKK	78.8m	770	+20	Kobe Steel	19.2m	585	+6
Sumitomo Metal	33.6m	671	+12	Tokyo Gas	18.3m	1,800	+20
Honshu Paper	31.6m	937	+9	Daiippon Ink	17.6m	834	-14

INDICES

NEW YORK DOW JONES

CANADA

NEW YORK ACTIVE STOCKS

3pm prices September 21

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
27⅞	14	AAR s	.30	1.4	25	385	28⅞	22¼	28⅞	+ ⅛
10⅛	0¾	ACM s				63	0¾	9¾	9¾	
12⅛	8¼	ACMIn n1.28a		11.		195	11⅛	11	11⅛	
75⅞	10⅞	ACMSc s1.26		12.		483	10⅞	10⅜	10⅜	– ⅛
10¼	3⅞	ACMSp n.25e		2.8		371	9⅛	8⅞	9	
28⅞	10½	AGS			20	212	28½	28¼	28¼	
7¼	2⅝	AMCA				1	3⅞	3⅞	3⅛	
7¼	3¼	AM Intl				323	5⅝	5½	5½	– ⅛
20½	17	AM Int pf	2	9.1		11	20	21⅞	22	
67⅛	28⅛	AMR			18	2750	48¾	45⅞	45⅝	+ ¼
27	23	ANR pf	2.67	10.		474	28½	20¼	28½	+ ½
24⅛	10	ANR pf	2.12	8.8		1	24	24	20	
10¼	5¼	ARX			11	2	7⅞	7	7⅛	+ ⅛
70½	20¾	ASA	3	8.3		385	38½	36	38¼	+ ¼
28⅞	9¼	AVX	.08e	.3	11	120	18⅝	16⅜	16⅛	– ¼
01⅛	40	AbtLab	1.20	2.4	18	3207	49⅛	48½	49	+ ½
27¼	15⅛	Abitibi g	1			33	16¼	18⅝	15¼	+ ¼
10½	6½	AcmeC	.40	4.4		658	5¼	9⅛	0⅛	
9½	8⅝	AcmeE	.32b	4.7	40	14	6¾	6⅝	6⅝	
20	14⅛	AdaEx	3.05e	20.		41	15⅝	16⅛	15⅛	– ⅛
19¼	8⅞	AdamMl	.24	1.5	18	4	16⅜	16⅜	16⅜	
24¾	7½	AMG				4969	11¼	10⅞	11⅛	– ⅛
30¾	20¼	AMD pf	3	8.6		75	35	34½	35	– ⅛
0¾	4⅝	Adobe				17	7⅞	7⅞	7¼	– ⅝
10⅛	16¼	Adob pf	1.84	10.		16	17⅛	17⅝	17⅛	
21⅛	17½	Adob pf	2.40	11.		7	21	21	21	+ ⅛
12¼	6⅞	Advest	.12	1.4	16	28	5⅞	6⅛	6⅝	
81¾	32½	AetnLf	2.76	5.3	8	1811	32⅛	51⅞	52	+ ¼
36¼	20½	AflPb s	.20	.7		118	27½	27⅞	27⅝	– ⅛
20⅞	13	Ahmans	.80	6.5	10	445	16⅛	16⅞	16	
4⅝	1¾	Aileen				27	4⅛	4	4	– ⅛
53¼	20	AirPrd	1.20	2.9	11	1272	41½	40⅞	41¼	– ⅛
27½	11⅛	AirbFrt	.80	3.3	24	201	16⅞	17⅞	18¼	+ ½
16¾	8¾	Airgas			16	93	14⅝	14⅜	14⅛	+ ⅛
30	13½	Airlease	2.40	12.	10	88	10¼	10⅛	10¼	+ ⅛
9¾	7⅝	AlaP dpf	.87	9.8		27	9½	9⅛	9⅛	– ⅛
27	17	AlaP pf	8.28	10.		z1000	81	81	81	– 1
28¾	12⅛	AlskAir	.16	.8	18	3452	u20¾	19⅝	28⅛	+ 1⅛
[illegible]										

Continued on Page 41

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
25⅞	12¼	Rollins	.52	2.8	18	428	18¼	18⅛	18⅜	+ ⅛
39½	19¾	Rorer s	.80	2.7	22	9427	u39⅞	35⅞	39	+3¼
9⅞	3¾	Rowan				915	6⅞	6⅝	6⅞	
31½	94¾	RoylD	7.24e	6.8	7	2328	107⅞	106⅞	106⅞	− ⅞
18½	8	Roylnt	.16e	1.3	16	187	13⅛	12⅝	12⅝	− ⅝
9½	5¾	Royce	.52e	6.0		80	8⅝	8½	8⅝	
34⅞	19	Rubmd	.36	1.5	10	354	24¼	23⅞	24	+ ⅛
43⅞	17½	RussBr	.40	2.1	8	128	18¾	18½	18⅝	
20⅞	17	RussTg	.60	4.5	20	66	10⅞	13⅞	13¾	+ ⅛
10⅞	10⅝	Russell	.24	1.6	12	102	15⅝	15¼	15⅜	− ⅛
36¼	20	Ryder	.58	2.3	15	3346	24⅛	24	24	− ⅛
31½	17⅜	Rykoff	.65	2.3	15	68	29⅞	29¼	29¼	
27	11	Ryland	.50	3.1	7	38	16⅝	16½	16⅜	− ¼
17⅝	7½	Rymer			61	5	9⅞	9⅞	9⅞	
11⅞	7¾	Rymer pf1.17		16.		7	8	8	8	
		— S-S-S —								
38¾	27⅝	SCEcp	2.48	7.5	71	1026	33	32⅞	32⅞	+ ⅛
78	6	SCOR U	.10e	1.3	6	20	7⅞	7⅞	7⅞	+ ⅛
12⅞	7⅝	SL Ind	.18b	2.2	14	18	8¼	8⅛	8¼	+ ⅛
44⅞	20⅞	SPSTec	1	2.3	17	9	43⅛	42⅝	43	+ ⅛
38⅞	31⅞	SPX Cp	1.20	3.6	13	62	34⅜	34½	34½	− ⅛
31⅞	13	SSMC			47	584	23⅞	23¼	23⅜	− ⅛
29⅞	16½	Saatchi	1.08e	6.2	7	3379	17¾	17⅞	17¼	− ¼
18¼	10	SabnR	1.43e	12.	8	125	11⅞	11¾	11⅞	
19⅞	9	SigdSc			9	6	15⅞	15½	15½	
39½	21⅞	SafKln	.60	1.1	24	247	26½	25⅞	26½	+ ½
9¼	5¾	SahCAs	1.03e	12.		34	8⅞	8⅛	8⅞	− ⅛
24½	77⅞	StJoLP	1.40	6.3	9	2	22⅞	22⅛	22⅛	− ⅛
17	6⅞	Salant				75	76⅞	10⅞	16⅞	+ ⅞
89	61	SallieM	.54	.7	17	1870	61	80½	80⅞	+ ⅞

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
36	19⅛	XTRA	.72	2.1	15	768	34⅛	34⅛	34¼	+ ⅛
29⅞	19½	XTRA pf1.94		6.9		1002	28	25	28	− ⅛
58⅞	77½	Yorkin			15	99	52⅞	52⅝	52⅝	+ ⅛
6⅞	2⅞	Zapata				1318	2⅞	2⅝	2⅞	− ⅛
37	18½	Zayre	.40	1.6	186	5371	24⅞	24⅛	24⅞	+ ⅞
18⅛	6⅞	Zemex	.40	2.9	18	16	14	13⅞	14	+ ½
30	10	ZenithE				1422	21	20⅝	20⅝	− ⅝
10⅞	9½	Zenin s	.36e	3.8		418	9⅞	9⅞	9⅞	
7⅞	7	vjZenLb				2793	2⅝	2⅞	2⅞	+ ⅛
21⅞	13⅛	ZenNtl	.80b	4.3	9	68	18⅞	18⅝	18⅞	+ ⅞
19⅞	11⅛	Zero	.40	2.8	14	398	15⅛	15	15⅝	+ ⅞
28⅞	16	Zurn	.68	2.7	16	264	25⅞	26	26⅞	+ ⅛
11⅞	7⅞	Zweig	1.05e	10.		345	10½	10⅛	10⅞	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3pm prices September 21

OVER-THE-COUNTER

Nasdaq national market, 3pm prices September 21

Continued on Page 39

AMERICA

Spotlight focuses on takeover issues in quiet trading

Wall Street

A SERIES of US economic releases gave no fresh impetus to equities or bonds yesterday and both markets moved in a narrow range in quiet trading, *writes Janet Bush in New York.*

At 2 pm, the Dow Jones Industrial Average stood 3.74 points higher at 2,091.22 in low volume by midsession of just over 70m shares.

US Treasury bonds received a mild boost from the figures and were quoted as much as ⅛ point higher at midsession. The yield on the Treasury's 30-year long bond fell to 9.00 per cent.

The markets had a great deal to digest in the early session, with the release of consumer prices figures, housing starts and personal income and consumption data for August. None of these figures dramatically changed views of the US economy or inflationary trends and left both bonds and equities little moved.

The lack of reaction was also partly explained by the absence of many traders for the Yom Kippur Jewish holiday.

The consumer prices index rose 0.4 per cent in August, or at a 5.2 per cent annual compounded rate, in line with expectations. The figures were moderately encouraging for the bond market, partly because a minority forecast was for a rise of 0.5 per cent and partly because – excluding food and energy, the most volatila components of the series – the CPI only rose by 0.2 per cent compared with a 0.3 per cent increase in July.

Housing starts for August totalled 1.44m, slightly below forecasts. There have been some signs over recent months of a softening in the housing sector and these figures appeared to confirm that.

Personal income rose 0.2 per cent last month, slightly weaker than forecasts had suggested, but July's increase was revised up to 0.7 per cent from 0.6 per cent. Consumption showed a rise of 0.5 per cent compared with forecasts for an increase of 0.2 per cent or 0.3 per cent, but July consumption was revised to an increase of 0.3 per cent from 0.5 per cent.

US government bonds were probably as affected by the softness in the gold price as hy yesterday's economic figures. December gold futures traded $5.60 an ounce lower in the morning at $405.70.

There is no compelling message emerging about the economy to set a clear trend in either bond or stock markets. The Administration's desire to keep financial markets steady in the run-up to the November presidential election works against any large movements for the time being.

The only excitement in the equities market revolves around individual stocks, particularly those involved in considerable takeover and merger activity.

Among featured stocks was KDI, the diversified manufacturing and electronics group, which rose $⅞ to $18⅞ on news that it has accepted a $19-a-share leveraged buy-out offer from a company to be formed by members of its senior management and Wasserstein, Perella, which was set up by the two former merger and acquisition heads at First Boston.

Newmont Mining added $2⅛ to $36⅞ after a £2.9bn offer by Minorco for Consolidated Gold Fields which holds a 49.3 per cent stake in Newmont.

Rorer Group jumped $2⅞ to $38⅞ amid fresh rumours that the company might face a takeover bid. There were reports of heavy foreign demand.

Polaroid dropped $½ to $39⅞ after the company filed a suit to block Shamrock Holdings and its partners, which have offered $42 a share for the instant photograph manufacturer, from buying any shares or making a tender offer.

Cray Research dipped $1 to $73¾ after a brokerage lowered its estimate for the company's earnings.

Greyhound jumped $2⅛ to $35⅛ amid intense speculation that investors Mr Irwin Jacobs and Mr Carl Pohlad have built up a near 5 per cent stake in the company. Greyhound is expected to make an announcement this week.

Canada

THE LOWER bullion price took its toll again on gold stocks, but this was countered by rising banks and industrial issues, leaving Toronto share prices higher at midday.

The composite indax – down about 8 points in early trading – firmed 2.34 to 3,263.64 in light turnover of 11.9m shares.

Sophisticated cart tires Danish horse

Hilary Barnes on trading system troubles

Copenhagen's all-electronic continuous trading system has run into serious problems where the equity market is concerned. There are not enough market makers and not enough liquidity, both factors related to inadequate information.

While brokers are operating with continuous information on prices and bids, their customers are receiving data on Reuter screens, where prices are only updated twice a day.

This means, first, that investors cannot follow market developments throughout the morning. Second, a stock which starts the day weaker but ends higher may appear on the Reuter screen with a quotation for the day lower than the previous day's.

This problem, however, will probably be ironed out fairly quickly. Both the stock exchange and many broking firms are preparing systems which will provide customers with continuous information.

The liquidity problem is more fundamental. Brokers say the stock exchange has put the cart several lengths before the horse by introducing a sophisticated – perhaps the world's most sophisticated – electronic trading system without first acquiring adequate information about the market.

"Ideally we should have developed the information system first to see how trading volume would develop in a market which had a clear view of prices and volume, the way they did it in Stockholm. We could then have seen whether there was a real need for an antomatic trading system," said a partner in a leading banking firm, who preferred to remain anonymous.

As it is, there may not be sufficient demand to enable a continuous trading system to function properly.

Under the outcry auction system, the market's attention was focused on particular shares, which generated trade and liquidity. With continuous trading, market makers are afraid that if they enter a price, it may prove later in the day to be invalid. There is therefore an acute shortage of market makers. "Liquidity in the market may actually be less than it was under the former system," said the banker.

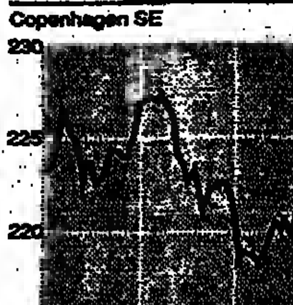
A special investigation of leading stocks is being discussed as a means of getting the market back on its feet – it would involve re-introducing the auction system with some electronics built in.

In January, before the trading system began to go electronic, about 200,000 bargains were registered a day, according to brokers Kleinwort Grieveson. That figure, however, was estimated to cover only a quarter to a third of total turnover.

Now the official figure has risen to between 600,000 and 700,000 bargains a day, and the new system – which in theory should record all Danish turnover – is probably catching three-quarters of all bargains, says Kleinwort. So turnover levels are about the same.

Denmark

Copenhagen SE



Tha Copenhagen Stock Exchange index, after reaching a year's high of 227.86 on August 3, declined steadily during the late summer on worries over rising interest rates. Share prices have picked up strongly this week on the growing belief that domestic interest rates will come down. Investors are encouraged by the planned lifting of foreign exchange restrictions next month, which will mean Danes may borrow abroad to invest in bonds or equities locally, the securities firm says.

However, under a system with negotiated (and very low) commissions, surplus capacity and lacklustre volume, there is no money for brokers.

This problem seems to be so fundamental that no one has any easy answers. And as the electronic system has cost the financial community almost DKr1bn ($139.7m) to set np, broking firms are very sore

EUROPE

Brussels hits new high while Frankfurt's rise resumes

THE BELGIAN market again provided much of the excitement in Europe yesterday, while Frankfurt resumed its strong advance as turnover picked up sharply.

BRUSSELS saw share prices rise to record levels, as speculation over the future of Tractebel, the energy and telecommunications group, and Petrofina, the petrochemicals concern, spread to other shares, *writes Will Dawkins in Brussels.*

The Brussels forward market index jumped 179.81 points, or 3.3 per cent, to a new high of 5,628.57, with the bulk of turnover centred on Tractebel and Petrofina. Total turnover surged to BFr6bn, more than twice the BFr2.5bn traded on Tuesday.

Tractebel saw BFr2.5bn worth of shares traded on continued rumours of a possible bid and stake-building, surging BFr400 to BFr9,900 after several days of steep gains.

About BFr2bn worth of Petrofina shares changed hands, with the stock closing up BFr1,150 at BFr14,800, after reaching BFr15,150. Petrofina – 10 per cent owned by Tractebel – has been attracting takeover speculation in recent months, although brokers also believe Groupe Bruxelles Lambert may be trying to raise its stake in the company so as to increase its influence over the largest shareholder, Société Générale de Belgique. The two are also the main shareholders in Tractebel.

FRANKFURT picked up strongly from Tuesday's brief correction, with turnover in German shares jumping to DM4.47bn from DM2.49bn the previous day, *writes Our Markets Staff.*

Domestic institutions were reported to be buying aggressively as the FAZ index pushed closer to the 520 level. There was some buying from the UK, but the Jewish Yom Kippur holiday dampened US interest.

The FAZ index reached 518.40, a rise of 5.36. "The dealers over in Germany say 520 may present a little bit of a barrier," said one London trader. "After we get through that, the more optimistic fellows are looking at 560."

The DAX real time index closed 15.01 higher at 1,260.99, also a new high for the year.

Much of the buying focused on banks, with Deutsche Bank up DM6 at DM521, Commerzbank DM5 higher at DM248.50 and Bayerische Hypo bank adding DM8 to DM370. They are being sought for their relative value and security, said the trader. The increasing use of passive, or index-tied, portfolios, also means institutions have to increase their weightings in the key financial and chemical sectors, he said.

In an accelerating car sector, Daimler gained DM14.50 to DM715 and VW, which said its world car sales rose 2.7 per cent in the first eight months, rose DM4 to DM263.50.

Bonds rose in line with the better trend in US markets on Tuesday and the yield on the August 1998 federal bond edged down to 6.59 per cent from 6.60.

PARIS opened quietly, only to take off in the afternoon, helped by strong demand for the old populars as well as some newcomers.

The CAC General index started the day up 1.9 at 386.6 and the closing OMF 50 index was 7.06 higher at 377.15, a rise of almost 2 per cent.

Positive news on the budget front – such as economic growth and inflation forecasts – buoyed sentiment, along with the feeling that the new account, which starts tomorrow, promises further gains.

Among recently popular stocks, construction company Bouygues, currently regarded as undervalued, saw a heavy 80,000 shares traded, rising FFr7.10 to FFr467. Appliances maker Moulinex put on 10 centimes to FFr112.50 with 75,000 shares changing hands.

Luxury goods group LVMH, which holds its shareholders meeting this morning amid great anticipation, added FFr17 to FFr3,085, although volumes fell back from recent high levels to about 25,000 shares.

New entrants to the actives list included Schneider, with about 100,000 shares dealt, rising FFr18 to FFr477.

Elf Aquitaine, which reported improved profits after the close, climbed FFr8 to FFr335. It traded later in London, where demand was strong, at FFr338.

MILAN ended slightly higher after a weak start, with the spotlight shifting to the Fiat group. The Comit index was 0.63 better at 524.87 in reasonable volume.

There was no news on Fiat, but confirmation in a press article on Tuesday that the company was market leader in European car sales appeared to be supporting the stock, one analyst said. It rose L40 to L9,240 and later reached L9,400.

Textiles group Marzotto added L45 to L5,705 and then hit L5,880 after hours amid rumours of a possible bonus issue. Insurer Generali was off L170 at L39,100 but recovered to L39,200 later amid expectations its first half results today will be favourable.

AMSTERDAM had a firmer day as investors welcomed Tuesday's Budget. The CBS all-share index added 0.7 to 97.1, helped by a stronger dollar, in moderate trading.

Insurer Amev saw strong demand, rising Fl 2.10 to Fl 54 on options-related buying and interest from Swiss institutions. This helped other stocks in the sector.

ZURICH was buoyed by activity in the insurance sector and finished higher, albeit in relatively quiet trading.

Zurich Insurance announced it had agreed to acquire Canadian holding company Travcan, putting it among the top three property and casualty insurers in Canada. Its bearers rose SFr50 to SFr5,700.

Expectations of an acquisition in the market had focused initially on Winterthur, which saw its bearers gain SFr75 to SFr5,550.

London

TAKEOVER speculation injected life into London stocks yesterday. The £2.9bn bid for Cons Golds highlighted a number of possible bid issues, whose prices were in turn marked up. The FT-SE 100 index climbed 24.7 to 1,796.8 in improved turnover of 439m shares.

SOUTH AFRICA

MOST gold stocks fell in Johannesburg as the bullion price declined. However, Consolidated Gold Fields soared after a £2.9bn bid from Luxembourg-based Minorco, gaining R17.25 to R93. Minorco ended unchanged at R52.50.

ASIA PACIFIC

Lively spell lifts Nikkei late in day

Tokyo

A SUDDEN burst of activity towards the close of trading helped equities rebound in Tokyo yesterday after they had fallen for most of the session, *writes Michiyo Nakamoto in Tokyo.*

The Nikkei average, which lost 253.02 points in the morning, recovered to end the day up 164.08 to 27,712.66.

The high of the day was 27,713.33 and the low 27,291.40, with declines far exceeding advances by 551 to 329, with 170 issues unchanged. Volume was considerably lower at 856.6m shares compared with 1.06bn on Tuesday.

Japanese shares in London rose further in later trading, with the ISE/Nikkei 50 index adding 2.31 to 1,792.55.

In Tokyo, analysts said that institutional investors who had sold on Tuesday to liquidate their positions had begun to feel the market had been oversold and that prices had come down to attractive levels.

At the same time, the market's improved mood "seems to have been inspired by the Emperor's slightly better condition," said Mr Simon Smithson, deputy general manager of research at Kleinwort Benson International.

The Emperor of Japan was reported to be very ill on Tuesday, when prices plunged to bring the Nikkei down 352.42.

Paper and printing companies, which were strong gainers on Tuesday, were again heavily traded yesterday but most suffered from profit-taking. Jujo Paper lost Y40 to Y1,010 and Sanyo Kokusaku declined Y32 to Y947. Honshu Paper, however, closed up Y9 at Y937.

Steels generally recovered from their losses and ended higher. They have regained popularity in the past few days because many investors expect the leading securities houses to support them when their new fiscal term begins next month.

Nippon Steel, the most heavily traded issue at 97.6m shares, rose Y17 to Y789 and Kawasaki Steel, second in volume at 92.5m, added Y24 to a new high of Y839. Kawasaki is attracting interest as one of the most promising steel companies in terms of improved profits and redevelopment possibilities for its land holdings along Tokyo's waterfront.

Electricals were not able to recover their losses and remained low across the board. Hitachi lost Y30 to Y1,720 while TDK lost Y70 to Y4,590.

Companies that have been attracting demand on the strength of their land holdings regained their popularity yesterday. Tokyo Gas, the leading utility company, owns extensive land along Tokyo's waterfront and rose Y20 to Y1,300. Osaka Cement, which owns land in Kawasaki, advanced Y48 to Y800.

Transportation companies, which had been popular recently for their involvement in leisure-related businesses and for their land assets, regained strength. Keisei Electric Railways rose Y70 to Y2,660 while Tokyu added Y10 to Y1,660.

Osaka's equities market failed to recover from Tuesday's loss and the OSE average fell 162.63 to 26,167.23. Volume was slightly higher at 106.7m shares compared with Tuesday's 105.1m. Nippon Steel was the most heavily traded issue followed by Kawasaki Steel. Nippon Steel added Y21 to Y789 while Kawasaki increased Y33 to Y843.

The bond market in Tokyo took an upward turn yesterday. The yield on the benchmark 105th government bond declined 0.095 of a point in large-lot trading to end the day at 5.075 per cent.

Roundup

TRADING was mixed again in Asia Pacific markets, with volumes staying low in Singapore and Hong Kong but picking up in Australia.

SINGAPORE followed Tokyo higher in afternoon trading after a mixed morning, with the Straits Times Industrial index climbing 6.58 to 1,046.53. Turnover fell to 15.5m shares

Price changes were mostly small except for a few blue chips and quality stocks

AUSTRALIA saw the easier bullion price translate into lower gold stocks and closed weaker after a firm opening. The All Ordinaries index lost 3.1 to 1,543.6.

HONG KONG was hit again by low volumes and share prices closed weaker amid continued concern over the health of Japan's Emperor Hirohito. The Hang Seng index rose 8.77 to 2,432.00 but volumes fell to HK$385m

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY SEPTEMBER 20 1988					MONDAY SEPTEMBER 19 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (85)	139.07	+0.5	122.29	117.61	4.01	138.43	122.27	116.89	152.31	91.16	178.65
Austria (16)	87.59	+0.3	77.02	84.95	2.46	87.34	77.14	84.90	98.18	83.72	102.87
Belgium (63)	120.01	+1.5	105.53	117.19	4.31	118.28	104.48	115.81	139.89	99.14	127.40
Canada (126)	118.17	+0.2	103.91	104.43	3.26	117.99	104.22	104.19	128.91	107.06	134.53
Denmark (39)	127.11	+0.9	111.78	123.83	2.40	125.98	111.27	122.94	132.72	111.42	118.57
Finland (26)	116.21	-0.2	102.18	107.62	1.63	116.48	102.88	108.07	139.53	106.78	-
France (128)	95.20	+0.2	83.71	94.64	3.43	94.99	83.90	94.65	96.62	72.77	112.91
West Germany (100)	79.14	+0.0	69.59	76.70	2.42	79.12	69.88	76.90	80.79	67.78	100.75
Hong Kong (46)	98.72	-0.8	86.81	99.00	4.94	99.54	87.92	99.83	111.86	84.90	147.52
Ireland (18)	127.98	+0.0	112.54	125.27	3.95	127.92	112.99	125.56	144.25	104.60	144.07
Italy (100)	71.06	-0.2	62.49	73.72	2.73	71.21	62.90	74.12	81.74	62.99	88.78
Japan (456)	158.75	-1.5	139.59	134.26	0.55	161.23	142.41	136.11	177.27	133.61	140.78
Malaysia (36)	135.75	-1.8	119.37	139.35	2.81	138.21	122.08	141.65	154.17	107.83	168.01
Mexico (13)	151.55	-0.9	133.26	378.86	1.44	152.94	135.09	382.35	180.07	90.07	379.54
Netherland (38)	102.49	+0.3	90.12	98.42	4.95	102.15	90.23	98.38	110.66	95.23	121.22
New Zealand (20)	69.17	+0.1	60.83	59.96	6.33	69.12	61.05	60.49	84.05	66.42	137.68
Norway (25)	111.49	+0.1	98.04	104.19	2.87	111.38	98.38	104.54	123.23	98.56	184.49
Singapore (26)	119.18	-2.0	104.80	111.99	2.45	121.59	107.39	114.22	135.89	97.99	160.98
South Africa (60)	100.25	+2.0	88.16	88.54	4.85	98.26	86.79	87.67	139.07	99.72	183.34
Spain (43)	137.23	-0.4	120.67	129.38	3.49	137.82	121.73	130.25	164.47	130.73	160.84
Sweden (35)	118.10	+0.7	103.85	112.16	2.54	117.24	103.55	111.64	125.90	96.92	130.41
Switzerland (55)	76.09	-0.2	66.91	74.25	2.28	76.21	67.32	74.63	86.75	74.13	108.23
United Kingdom (322)	124.44	+0.1	109.42	109.42	4.73	123.02	108.66	108.66	141.18	120.66	157.04
USA (580)	110.29	+0.3	96.98	110.29	3.62	109.91	97.08	109.91	112.47	99.19	130.26
Europe (1008)	102.88	+0.6	90.47	95.89	3.85	102.28	90.34	95.67	110.82	97.01	127.66
Pacific Basin (669)	155.57	-1.5	136.80	132.15	0.76	157.87	139.44	133.87	172.26	130.81	142.43
Euro-Pacific (1677)	134.51	-0.8	118.28	117.66	1.71	135.64	119.81	118.64	147.53	120.36	136.57
North America (706)	110.69	+0.3	97.34	109.95	3.60	110.32	97.45	109.57	113.29	99.78	130.49
Europe Ex. UK (686)	89.36	+0.1	78.58	87.63	3.13	89.24	78.83	87.76	92.99	80.27	109.39
Pacific Ex. Japan (213)	117.26	-0.1	103.12	105.74	4.29	117.41	103.71	105.83	128.27	87.51	162.75
World Ex. US (1876)	133.62	-0.8	117.50	117.04	1.79	134.67	118.95	117.96	146.49	120.26	137.16
World Ex. UK (2134)	124.54	+0.4	109.51	115.22	2.17	125.24	110.62	115.82	131.77	111.77	132.23
World Ex. So. Af. (2396)	124.66	-0.4	109.62	114.85	2.38	125.19	110.58	115.32	132.39	113.26	134.15
World Ex. Japan (2000)	108.13	+0.4	95.08	104.80	3.72	107.68	95.11	104.50	112.43	100.00	131.44
The World Index (2456)	124.51	-0.4	109.49	114.67	2.40	125.03	110.43	115.14	132.38	113.37	134.44

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local).
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